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Do Professional Sports Franchises and New Sports Facilities Have a Postive Impact on the Local Economy?

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**“Do Professional Sports Franchises and New Sports
Facilities Have a Positive Impact on the Local
Economy?”**

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Submitted in partial fulfillment of the requirements for the
Masters of Arts in Corporate and Public Communications
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Abstract

The economic impact of professional sports on the local economies has emerged as one of the most important economic issues in recent years. The main reason for this is the significant increase in the construction of publicly funded professional sports stadiums and arenas. Over forty-five new stadiums and arenas have been built for professional football, basketball, and baseball since the mid 1980s and many more are currently under construction, in the planning phase, or have been proposed. In dollar terms, the 1990s alone have seen well over \$9 billion spent on major league facilities, with approximately 55% of these funds coming from the public (Chaplin, 1). Most of these construction projects receive substantial government subsidies, and the proponents of these teams and stadiums claim that these structures and teams contribute millions of dollars of new spending annually and create hundreds of new jobs, thus providing justification for the hundreds of millions of dollars of public subsidies for the construction of these new professional state-of-the-art stadiums, does that in fact prove true? Despite these positive claims, opponents have argued for years that there is no evidence of positive economic impact of professional sports teams and facilities on urban economies. Thus, this subject is a controversial topic right now in cities across North America that want to recruit professional sports teams and build new stadiums, to provide an economic stimulus to the city's urban economy. These teams and stadiums are often thought of as essential parts of a modern, growing, and lively city. Cities and the communities are thought to receive many benefits from these teams, both economically

and culturally, but is that true? The goal of this thesis is to add to the debate of this subject by presenting, analyzing, and studying data and information from both sides of the spectrum, there will also be an in-depth case study done on the City of Pittsburgh in an attempt to find out what relation sports teams and sports facilities have on a city's local economy and to the residents of the city.

Chapter 1

Introduction:

In North America sports are a part of life; from a young age, Americans are taught to love sports, and competition, and to enjoy professional sports. Since the early 1900s, professional sports have been part of American life, and Major League Baseball was considered the American pastime. Baseball was not just a sport in the early 1900s, but a way of life; from fathers taking their sons to the ballgames, to playing catch in the backyard after dinner, baseball epitomized all that was great about life and about America. As sports and the games themselves evolved, professional football emerged in the early 1900s, but did not become very popular until the late 1960s when the Super Bowl began. This February marks the fortieth anniversary of the Super Bowl, which has become the most watched sporting event of the year, as well as the sporting event with the most media coverage. The National Football League surpasses any other professional athletic league in terms of American popularity, turning Sundays into a day of church and football in many cities. Tailgating is the new form of celebration: a celebration of football, food, and drinks. Performed outside of the stadiums or arenas, these little rituals are in many cases almost more fun than the games themselves. Sports affect the way people live, and teams not only play in cities, but play for their city and its residents. In addition to the National Football League, the National Basketball Association and the National Hockey League each have a very strong following, and are well supported throughout the country and the world.

In many situations professional sports teams define and represent the city that these teams play in; for example the Pittsburgh Steelers, represent the steel that made Pittsburgh famous, and the San Francisco 49ers define a historic year in San Francisco history. It is often hard to measure what teams are really worth to a city, not only in monetary value but in non-pecuniary value as well. Currently, in the year 2005, professional sports have become a highly significant business, from the rising cost in ticket prices, to player's escalating salaries, to the hundred million dollar new arenas and stadiums, containing features like extensive sections of premium seating, equipped with luxury boxes, hotels, restaurants, swimming pools, and theme-park like attractions. These teams and stadiums are often thought of as essential parts of a modern, growing, and lively city. Cities and the communities are thought to receive many benefits from these teams, both economically and culturally, but is that true? The major sports leagues and the local politicians constantly preach about the ways these sports franchises and new ballparks and arenas will stimulate and jump start the city's local economy, but does that really take place? Do these major investments really help the city's economy, the jobs, and the people who live there?

Local political and community leaders and the owners of professional sports teams frequently claim that professional sports facilities and franchises are important engines of economic development in urban areas. Proponents claim that these structures and teams contribute millions of dollars of new spending annually and create hundreds of new jobs, thus providing justification for the hundreds of millions of dollars of public

subsidies for the construction of these new professional state-of-the-art stadiums, does that in fact prove true?

Despite these positive claims, opponents have argued for years that there is no evidence of positive economic impact of professional sports teams and facilities on urban economies. Other experts say that professional sports have little, if any, positive economic effects on local economies, but teams are so important culturally, socially, and psychologically to a city and to a city's residents that these benefits can not and should not be measured, because they remain immeasurable. Thus, this subject is a controversial topic right now in cities across America that want to recruit professional sports teams and build new stadiums, to provide an economic stimulus to the city's urban economy. The goal of this thesis is to add to the debate of this subject by presenting, analyzing, and studying data and information from both sides of the spectrum in an attempt to find out what relation sports teams and sports facilities have on a city's local economy and to the residents of the city.

Problem:

Sports facilities and professional franchises appear to be prime candidates for economic development projects aimed at revitalizing cities and metropolitan areas, but many experts in this field state that there is no positive effect of professional sports and new stadiums on the cities' local economy. Others believe the potential impact of

professional sports and facilities to be significant and positive for a city both economically and culturally.

Research Question:

- “Do professional sports and new sports facilities have a positive impact on the local economy?”

Subsequent Questions

In an effort to comprehend the impact of professional sports franchises and stadiums on cities and their local economies, this study will devote time to answer the following questions.

- “Do professional sports franchises and professional sports stadiums have any effect on employment in a city?”
- “What does subsidizing stadiums do to the local economy?”
- “Why do politicians push for new stadiums, arenas, and expansion franchises?”
- “Do changes in the sports environment affect the growth rate of income in a metropolitan area?”
- “Do professional sports produce economic benefits?”
- “Do professional sports produce non-economic benefits?”
- “What do professional sports do for the “psychological well-being” of a community and its residents?”

- “Are professional sports teams and stadiums linked to positive aspirations and a feeling of success for a city’s residents?”
- “What are the negative consequences of having professional sports, and how do they hinder the city’s local economy?”

Hypothesis:

The author feels that professional sports and new stadiums are very important to a city, the identity of a city, and the identity of the city’s residents, but do not necessarily have a large positive economic impact on the city’s local economy, per se. Professional sports teams and stadiums bring intangibles that could never be measured in terms of whether or not these teams have a major economic impact on cities. These teams bring a huge level of esteem, pride, sense of identity, and development to the residents and the community at large. These stadiums and teams also bring tangible assets to a city and to the city’s residents. Teams and stadiums define cities, more so than other cultural aspects of a city, including museums, art and culture, zoos, universities, or hospitals; professional sport teams give these residents and the local economy a sense of pride that could never be measured.

Content/ Background:

Professional sports and new sports facilities have become a staple of economic development in North American cities, especially over the last fifteen years. Many proponents argue that teams and new ballparks represent a sign of progress and illustrate that these cities are still a vital place for commerce and culture. These facilities provide

evidence that the public sector is actively pursuing strategies for redevelopment of the cities' downtown area. Proponents also outline a number of economic and non-economic benefits that flow from these teams and these new stadiums, including increased tax revenues, job creation, and a new community image. As a result of these reasons, the major sports leagues and politicians have used professional sports as an economic development tool for cities in need of economic stimulation, considering new stadiums to serve as tangible ways that community residents and outsiders can see the growth of a city's economy. In the 1990s alone, over forty major sports league facilities were constructed, and over \$9 billion were spent on these facilities, with approximately 55% of these funds coming from public sources (Chaplin, 2002). Sports stadiums, arenas, and teams are highly visible, and sporting events are widely popular throughout the world serving not only as social gatherings for residents, but also a source of pride and a feeling of being part of something very special. Professional sports teams comprise a huge business, and teams very much define the city that they play in and mean more than the money to people of a city. They provide an identity, as people live through the successes and the failures of the hometown sports team.

Professional sport, in the U.S. is a very visible and publicized, but not a large sector, of the U.S. economy. The proponents of professional sports leagues are the leagues themselves, the NFL, MLB, NHL, and NBA, and the owners, teams, and fans. Owners and teams have been significant proponents of public financing for stadiums and arenas, but are public subsidies worth the large cost? Since the end of World War II, the construction of professional sport facilities has been heavily subsidized. The proponents of stadiums constantly profess the direct benefits, such as new jobs, higher income, and

more tax revenues due to teams and stadiums as the primary justification for public funds.

Recent Stadium Construction

<u>City</u>	<u>Sport</u>	<u>Year opened</u>	<u>Total</u> <u>cost</u>	<u>Public</u> <u>Subsidy</u>
Houston	Football	2002	\$374 million	\$257million
Seattle	Football	2002	\$408 million	\$306 million
Milwaukee	Baseball	2001	\$410 million	\$317 million
Denver	Football	2001	\$417 million	\$313 million
Pittsburgh	Football	2001	\$263 million	\$183 million
Pittsburgh	Baseball	2001	\$273 million	\$231 million
San Francisco	Baseball	2000	\$351 million	\$11 million
Cincinnati	Football	2000	\$479 million	\$479 million
Denver	Basketball/Hockey	1999	\$187 million	\$10 million
Seattle	Baseball	1999	\$587 million	\$409 million
Los Angeles	Basketball/Hockey	1999	\$363 million	\$65 million
Baltimore	Football	1998	\$251 million	\$251 million
Tampa	Football	1998	\$190 million	\$190 million

Coates & Humphreys, 2003).

A constant that exists is that these massive structures are very expensive. Therefore, this debate is very important when studying whether or not stadium construction is beneficial to the economy or if these stadiums and arenas function primarily as sources of identity and pride for a city.

Many experts believe that sports franchises reduce the real per capita income in the U.S. by a small sum (about \$60 per year) but still a very statistically significant amount (Coates & Humphries, 2000). It is also noted that the economic impact of professional teams varies across sectors of local economies. Many questions surface; for example, how could sports reduce the income? Experts say substitution on public spending, affecting the productivity of workers, or creating too many low paying jobs.

Background on the City of Pittsburgh

In Pittsburgh, sports are not games or events, but a way of life. This statement is very difficult to comprehend if one has never been to Pittsburgh. Professional sports and the three teams that call Pittsburgh home, the Pirates, Penguins, and Steelers, mean more to the city than any dollar amount could ever mean.

There is a very distinctive, very unique place that sits on the shores of the Allegheny, Monongahela, and Ohio Rivers, a place located in Southwestern Pennsylvania that is a hidden treasure in this great country. Pittsburgh is no different than any other major eastern city, noting its very diverse population with a lot of character and city pride. On the flip side, there is also no other city like Pittsburgh; Pittsburgh has its own feel, it is a big, small town, to put it in perspective. The city itself is home to about 400,000 people and the greater Pittsburgh area is populated by about 4 million people, so although Pittsburgh is not the largest city in the world, it has many things that other cities do not have to offer. Many wonderful aspects of this city remain overlooked. One of the most treasured possessions of Pittsburgh is professional sports, from the 5 World Series

titles, to the two Stanley Cup trophies, to the most important four-time Super Bowl championships; this city claims itself as the “City of Champions” and with great right.

Over the past 25 years the city itself has gone through changes, primarily due to the decline of the strong industrial and manufacturing sector of the city’s economy and the growth of the new information and technology economy. The steel industry has declined by 90% over the last 30 years and economically hurt the city, but Pittsburgh is coming back by becoming the banking capital of the state of Pennsylvania and one of the premier North East Medical facility systems. This transition period from the old image as the “steel city” to the new revitalization of Pittsburgh is taking place and two brand new ball parks are helping; PNC Park, home of the Pirates, and Heinz Field, home of the Steelers have given Pittsburgh a new look and a new attitude. This paper will include a case study of the City of Pittsburgh, and the study will attempt to measure how much sports really matter and whether or not sports and these two new stadiums impact the local economy.

Why Professional Sports and Stadiums are economically important

1. The Economic Impact of Sports and Stadiums

Economic impacts include such things as spending by fans at events and by players in the community, money generated by spin-off businesses, as well as a wide variety of other impacts that can be tied to the flow of money in the economy.

- New Money- The economic impacts from visitors due to increased spending
- Spin-off developments- stimulation of other developments as a result of teams or stadiums

- Example: Central Business Districts (CBDs) - Many public officials and major sports leagues have strategies to keep sports stadiums “downtown” to reverse or retard the elements of suburbanization. “Suburbanization” refers to the movement of production, manufacturing, and service industries to the suburbs. These developments are the latest hope for emphasizing urban life, bringing jobs back to downtown area, and invigorating people’s interest in both visiting and living in downtown areas. Example, Toronto’s Skydome, Baltimore’s Camden Yards, Pittsburgh’s PNC Park/Heinz Field.

The economic benefits stated above are tangible assets that one finds when analyzing whether or not stadiums and teams are beneficial to the city’s local economy; this is a very black and white issue and can be easily measured.

2. Economic Costs and Benefits not typically considered

- Hidden Costs- Major infrastructure improvements required for the new facility (new roads, water/sewer lines) normally fall to the public sector. These improvements can easily total \$100 million in public funds. Others include business relocation expense for firms required to relocate to new locations, property tax losses for land removed from the property tax rolls, and the costs of providing services for events at the facility.
- Replacing old stadium- the economic costs associated with the old facility., the cost of demolishing and the debris removed from the site.
- Economic impact of the facility- New money
- Reuse of old stadium- Valuable land

The above costs are really taken into account, and there are many hidden costs, as well as the question of what to do with the old stadium, the opportunity cost of the new land that will be used to build the new stadium, and whether or not the stadium will be able to be reused. In most cases the old stadium will not be used; it will be torn down, and either way, it involves a tremendous cost. One of the only stadiums to be replaced and to still be used is Houston's Astrodome, "the eighth wonder of the world," formally used for the Houston Oilers as well as the Houston Astros, the Astros have a new stadium, Minute Maid Park, and the Oilers moved to Tennessee. Now the Astrodome is used for rodeos and other special events.

3. Failures of Sports Facilities as economic development tools

- Substitution effect- Sports facilities simply redirect spending from one entertainment activity to another, thereby producing little to no increase in economic activity for a region. If a new stadium is not capturing money spent by fans attending events, it has been argued that almost all of this money would still flow through the local economy via movie theaters, restaurants, and other entertainment venues. Consequently, the amount of new money generated by a sports facility is very small even given the most optimistic assumptions (Chapin, 5).
- Leakages in the economy- Any industry has leakages, a concept that captures the idea that a certain percentage of money spent on a given industry's local products and services flows out of the local economy to non-local entities, usually in the form of other businesses, corporate offices, or through non-local spending. The professional sports industry is very susceptible to leakages out of the local

economy. Revenues that flow to professional sports teams, the majority of which end up in the pockets of players and owners, are less likely to remain in the local economy because owners and players do not spend a large percentage of their money locally (Chaplin, 6).

- Size of the economic engine- Professional sports appears to be a substantial industry for a metropolitan area. Actually, individual sports teams are very minor players in a region's economy. Chaplin states, "By themselves, sports teams are not economic engines; they have too few employees and involve too few direct dollars to be a driving force in any city or country's economy (Chaplin, 6).
- Impacts on Metro Growth- Sports teams have been shown to have no discernible positive impact upon metropolitan economies. Proponents of sports facilities have argued that these projects offer location and perceptual advantages that can improve a region's economy. No study to date has verified the claim that investments in sports facilities can help the regional economy grow. In fact, some studies have concluded that these projects may actually hurt the regional economy because it predisposes the economy towards lower paying service sector jobs (Chaplin, 6).
- Quality of new jobs- Short term and long term jobs will be generated: construction firms are employed to build a facility. Over a long term, jobs such as vendors, ticket takers, ushers, and new businesses (restaurants and clothing

vendors) within the surrounding area will be generated. Thousands of jobs are created but these jobs are low paying, seasonal, and service sector jobs that cannot serve as the basis for a quality economy.

- Indirect project costs- Sports stadiums are substantial investments, the cost which usually falls on the public sector. These costs include major infrastructure improvements and new parking structures, projects that can add another \$50-\$100 million to the final cost. There are also hidden costs that can contribute to the public sector's bill for a new facility, such as large pieces of property removed from the property tax rolls and the relocation of businesses out of the project area (Chaplin, 6).
- Opportunity costs- The fundamental economic theory that the true cost of using a resource is the value of the next highest valued alternative use of that resource. (Alternative needs for a city include schools, parks, more police, fire fighters, teachers, etc...). The public sector is always short of funding to address all needs in a given city or region. When spending public funds on a sports facility, the public sector has actually made two choices; first to spend money on the stadium, and second, to not spend money on other needs. Also, by choosing to use a given piece of land for a sports facility, an opportunity to utilize this land for other needs or other uses is lost. When calculating the benefits of a proposed sports facility, the benefits and costs of other potential money and land required for a new facility must be considered. Noll and Zimbalist write, "The opportunity

foregone in building a stadium is not the cost of the stadium, but the benefits from the other ways this money could be spent” (Noll and Zimbalist, 62). Opportunity costs are one of the most overlooked aspects of sports facility financing and are rarely included in economic impact studies prepared on behalf of teams or governmental agencies. These costs can be substantial, particularly given that most local governments have limited funding available to meet growing needs in their communities (Chaplin, 6).

- Flow of facility Revenues- Lastly, the flow of revenues from sports facilities have help consign sports facilities to the status of failure as economic investments. Most revenues for sports facilities, even those built with public money tend to go directly to the teams and not to the public sectors (Chaplin, 6).

As one can see, teams and stadiums are very costly, and a great deal of studying and analysis must be preformed in order to determine; where to build a stadium because the best possible location must be chosen for these massive projects to be successful.

Non-economic Impacts of Sports teams and Stadiums

Non-economic impacts- Includes social impacts, such as communal experience of attending sporting events at ballparks or the community identity and pride generated by a local championship team.

- Increased community visibility- the social aspect, community and city image, part of a revitalization to the city's economy, and visual appeal to the city's downtown area; the physical redevelopment in the area immediately surrounding and in the district encompassing a new sports facility.
- Enhanced community image- the concept that a city may experience benefits from being a major league city, home to a franchise from one of the four dominant sports leagues in North America.
- Social impact- refers to the enjoyment provided by sports and the sports facilities to citizens in the community.
- Political impacts- the political costs and benefits that flow from a sports facility.

According to an expert, "the greatest benefits may not derive from measurable economic activities directly to the financial success of the team, but rather from the improved infrastructure, urban renewal, and construction of a venue to accommodate the diverse needs of the area" (Narcowich, 1997). Professional sports strengthen a city's national and regional image both on television and to those who attend sporting events in person. Proponents argue that improved image attracts more tourists, businesses and residents, and expands the tax base. Sports teams and stadiums lead to city pride, and the role of sports facilities in revitalizing a city and creating a more pleasant atmosphere is also a point repeatedly raised by advocates. The Baltimore Sun wrote in 1993 about Camden Yards, the Baltimore Orioles new ballpark that "it (Camden Yards) provides something for the general public to focus on, to strive for- something for a whole city to rally around" (Narcowich, 4). In Baltimore it has in fact worked, as well as in Cleveland.

San Francisco, Pittsburgh, Houston, and Detroit, are trying to improve their image and new stadiums will help. The non-pecuniary, or benefits unrelated to money that are derived from teams, are far too important to leave out of the debate. However, many opponents of public funding and sports teams in general fail to even attempt to capture or measure what the non-pecuniary benefits afforded to a city and the residents of a city; when making decisions on the future of professional sports in cities and metro areas, these benefits must, and should be,, factored into the equation.

Much of the available evidence suggests that there are little, if any, positive economic benefits from the public subsidies provided for the construction of new stadiums or arenas, but the non-pecuniary benefits are so great that it is hard to overlook them. First of all, being a “big league city” is indescribable, and it really can not be measured in dollar terms. The afflation that a city and the city residents have from being associated with being a “big league city” is very valuable, especially in the case of smaller markets, such as, Kansas City, Pittsburgh, Cleveland, or Minneapolis. The citizens also derive much enjoyment from following the local team on television, radio, or in the paper, even if they never attend a game. This interest also leads to more parties, barbeques, and social gatherings with friends; therefore food sales, beverage sales, and — barbeque items sales increase. It is hard to measure these benefits because they are not traded in a market where their value is determined.

Public Funds

The benefits and costs of a public investment fall into four general categories:

1. Direct benefits
2. Indirect benefits
3. Initial costs
4. Cost of the operation

Direct benefits can be described as the value consumers attach to the output from the public investment. In the case of a stadium, the net benefits include:

1. Any incremental consumer surplus from all of the consumption activities produced at the stadium for inhabitants of the city (games, broadcasts, and concession products such as food, beverages, parking, programs, clothing, and souvenirs) above the consumer surplus engendered by goods and services that were previously consumed.
2. Incremental consumer surplus from any additional expenditures
3. Any externalities accruing to residents because of the existence of the team

Indirect benefits include all the additional consumption that takes place in response to the generation of any new income in the production of these consumer products. Indirect benefits only arise if the public investment and its use cause a net increase in income, rather than a reallocation of income among products and businesses.

A public investment can be worthwhile in only three circumstances. First, society may have unemployed resources that can be used most productively by subsidizing investment. Second, if the society is fully employed, it may be spending too little on investment in relation to current consumption. Third, the productivity of the subsidized investment, as measured by the value of the consumption that it created, exceeds the productivity of all other feasible investments. In all cases, in order for a public investment to contribute to economic welfare, it must increase future consumption. And, in the first two cases, this objective is accomplished because the public investment causes a net increase in total investment.

Definition of terms:

Professional Sports Franchises- a team either in Major League Baseball (MLB), The National Football League (NFL), The National Hockey League (NHL), or the National Basketball Association (NBA).

New Stadiums/ Arenas- a professional sports venue built after 1993 and the completion of Camden Yards in Baltimore, Maryland, with the idea of stimulating the cities economy.

Local economy- The businesses, hotels, restaurants, bars, and vendors, in the surrounding area of the stadium.

Subsidizing- To furnish with a subsidy; to purchase the assistance of by the payment of a subsidy; to aid or promote, as a private enterprise, with public money.

Small market- a professional sports city that is not in the top 20 television markets in the United States.

Large Market- a professional sport city in the top 10 television markets in the United States.

Public financing- The use of public funds and taxes to finance a stadium or arena.

Metropolitan area- constituting a large city or urbanized area, including adjacent suburbs and towns.

Economic Impact- includes such things as spending by fans at events, by players in the community, money generated by spin-off businesses, as well as a wide variety of other impacts that can be tied to the flow of money in the economy.

- New Money- The economic impacts from visitors due to increased spending
- Spin-off developments- stimulation of other developments

Non-Economic Impact- includes social impacts, such as communal experience of attending sporting events at ballparks or the community identity and pride generated by a local championship team.

- Increased community visibility- city is more widely recognized
- Enhanced community image- positive city ambiance
- Social impact- refers to the enjoyment provided by sports and the sports facilities to citizens in the community
- Psychological well-being- the positive mental health of a city resident with being associated a resident of a “big league city.”

Big League City- a city that houses a professional sports franchise.

Central Business Districts (CBDs)- Many public officials and major sports leagues have strategies to keep sports stadiums “downtown” to reverse or retard the elements of suburbanization. These developments are the latest hope for emphasizing urban life,

bringing jobs back to downtown area, and invigorating people's interest in both visiting and living in downtown areas. Example, Toronto's Skydome, Baltimore's Camden Yards, Pittsburgh's PNC Park/Heinz Field.

Substitution effect- sports facilities simply redirect spending from one entertainment activity to another, thereby producing little to no increase in economic activity for a region.

Opportunity costs-the fundamental economic theory that the true cost of using a resource is the value of the next highest valued alternative use of that resource. (Alternatives of other needs for a city, schools, parks, more police, fire fighters, teachers, etc...)

Non-pecuniary benefits- benefits from teams and/or stadiums that have no monetary value.

Pittsburgher- a person, male or female who is originally from the city of Pittsburgh, or lives in or around the city of Pittsburgh.

Limitations

The author is going to research this topic very thoroughly, although it will be impossible based upon time/money restrictions to study and visit every professional sports cities in the country. Therefore, specific situations will be analyzed in particular, including many of the newer stadiums and teams and a case study will be done on the city of Pittsburgh, which built two new stadiums and is in the beginning stages of planning a new arena for the Penguins. Pittsburgh will be examined in depth by surveys, interviews, and field work to demonstrate how the city has been affected by professional sports and the new stadiums that were constructed in 2001.

- Four major sports leagues: Major League Baseball (MLB), The National Football League (NFL), The National Basketball Association (NBA), and the National Hockey League (NHL).
- The study will take place from 1970 to the present.

Chapter Two

Webster's Dictionary defines "sport" as "a physical activity engaged in for pleasure," but now professional sports have turned these recreational activities into a very extensive industry. Professional sports are everywhere, games are televised world-wide and these games turn into huge events. Professional sports leagues have become a symbol of the American society. These sports, which started as games, have turned into massive businesses, whether it is advertising, marketing, sales, or finance; teams, leagues, and stadiums produce revenues and many large corporations invest heavily for advertising in and around stadiums, whether it be signage, promotions in businesses near the stadium, or in other forms of marketing. Companies also sponsor teams in order to be recognized as the choice of the team. Professional sports do have an effect on businesses and companies, but how much? Today, expansion franchises are popping up in cities which previously have never housed a professional sports franchise before, such as, Memphis. This is due to the fact that professional sports have some sort of affect on a city, though the extent of that impact remains to be seen. This report will add to the debate and look at points of view from all angles to find out the true value of professional sports franchises and stadiums and the impact they have on the local economy.

The economic impact of professional sports on the local economies has emerged as one of the most important economic issues in recent years. The main reason for this is the significant increase in the construction of publicly funded professional sports stadiums and arenas. Over forty five new stadiums and arenas have been built for

professional football, basketball, and baseball since the mid 1980s and many more are currently under construction, in the planning phase, or have been proposed. In dollar terms, the 1990s alone have seen well over \$9 billion spent on major league facilities, with approximately 55% of these funds coming from the public (Chaplin, 1). Most of these construction projects receive substantial government subsidies, and the proponents of teams and stadiums claim increases in employment, income and other economic benefits justify these subsidies. Opponents claim that the spending on stadiums and income generated are very limited; also opponents claim that there is usually a substitution effect, involved in how residents of a metro area will spend their money, and therefore little new money is generated from these teams and stadiums.

Effects on Employment

Many experts who have studied the ability of professional sports to affect employment state as shown by the following quote, “professional sports may alter the pattern of entertainment spending in a city and thus the earnings of workers in occupations related to entertainment spending” (Coates & Humphreys, 2003).

Advocates of sports led economic growth frequently claim that the beneficial economic impact of sports will be concentrated in specific sectors of the economy. New teams and stadiums will attract people to the area around the stadium where they will spend money on food and beverages, hotels, and consumer items such as souvenirs and team paraphernalia. This new consumer spending will drive up the demand for waitresses and waiters, hotel staff, and sales clerks, resulting in higher wages for people employed by these jobs. Opponents of using subsidies to fund professional sports as a tool of

economic development suggest that job and income creation effects of franchises and stadium will be minimal. Opponents also argue that much of the sales of food and drink and retail merchandise that arise around the stadium will simply substitute for similar sales at establishments in the city that are relatively distant from the stadium. Moreover, consumers may substitute attendance at sporting events for other types of recreational activities, such as going to the movies or the symphony. If this argument is correct, then one would expect to find no effect of sports on the wages of workers in restaurants, bars, hotels, and amusement sectors of the economy.

Dennis Coates and Brad R. Humphreys of the University of Maryland, Baltimore County have done a study on this vary question: do professional sports affect the earnings of individuals? The four occupational groups that these men studied were hotel employees, food service employees, retail employees, and sports related employees.

These experts state:

Professional sports reduce wages in three of the four occupational groups studied here, and the impact on the full sample of workers is negative. The positive effect of sports on earnings of retail workers provides some support for the idea that the economic benefits from professional sports are concentrated in specific areas of the local economy. But the full sample results suggest that the earnings increases experienced by retail workers are more than offset by losses in wages experienced by employees in the other occupational groups in the sample (Coates & Humphreys, 8).

Coates and Humphreys go on to say that these results do not argue against public subsidies for professional sports facilities and franchises, and that economists as a whole have always recognized the importance and benefits associated with professional sports. “Residents of cities clearly derive significant utility from access to professional sports, and these consumption benefits may justify hundreds of millions of dollars of public spending on new sports facilities” (Coates & Humphreys, 8). Coates and Humphreys were also quoted as saying:

The results of this study confirm conclusions of earlier research that the overall sports environment is frequently statistically significant as a determinant of earnings and that predicted mean impact of sports on wages is negative. In this study, the effect of sports is an annual average decrease in inflation adjusted earnings of \$47.95 for workers in the sample. However, the results also show that the effects of the sports environment differ across job-types. For example, for workers employed in retail occupations, annual earnings rise on average due to the presence of professional sports. Our results cast further doubt on the idea that professional sports can be effective economic development tools in metropolitan areas. Although some specific occupational groups clearly benefit from the presence of professional sports franchises and facilities in our sample of 37 cities, it does not appear that workers in the other related occupational groups benefit. Instead, workers in these other occupational groups have lower wages as a result of the wider impact of professional sports on the local economy (Coates & Humphreys, 9).

The debate will continue based upon the evidence of professional sports affecting workers' wages. There are many other aspects that must be factored into the equation when trying to calculate the impact professional sports have on local economies. Both the economic impacts and also the non-economic impacts need to be analyzed in depth.

Professional sports teams and stadiums may have a positive effect on a small sector of the city's economy, but the overall impact is largely negative, according to a study by economists Dennis Coates and Brad R. Humphreys of the University of Maryland, Baltimore County.

Dissecting the economic justification for such projects remains of particular interest to taxpayers and existing businesses because most professional sports construction projects receive substantial governmental subsidies. Many experts feel that professional sports have a small positive effect on the earnings of employees in the amusements and recreation sectors of the economy, those working for theaters, race tracks, golf courses, and amusement parks, as well as the sports franchise.

Local economic development of stadiums

In this very heated debate on whether teams and stadiums are worth their enormous cost, a few things remain constant; cities with teams, and the demand for teams far out weigh the supply of teams, and secondly, the spending on stadiums and arenas keeps growing and many people have the mentality that the stadium will attract people in massive amounts generating economic growth and a total utopia.

Cities pay enormous amounts of money to attract franchises, and every year it gets more expensive. For example, franchise fees charged for expansion teams in the

1990s were large, but nowhere near what they are today; the Colorado Rockies and Florida Marlins paid \$95 million in expansion fees in 1992 to join the MLB, and in 1997 the Arizona Diamondbacks and Tampa Bay Devil Rays paid \$130 million. That is a 37% increase in five years, or about 7.4% per year. To join the NFL, the Cleveland Browns paid expansion fees of \$530 million in 1998, and the Houston Texans paid \$700 million in 1999, a 32% increase in one year (Coates & Humphreys, 2000). These are enormous costs, and proponents repeatedly preach about the enormous economic benefits of professional sports, but in reality professional sports are more of a status symbol and better for the “psychological well-being” of residents of the metro area. Professional sports teams are expensive, but many benefits come from being a home to a professional sports team, whether it is called esteem, civic pride, or being a “big league city”; residents and local political leaders want what is best for their home city and want the respect of other cities, referred to as “friendly competition” between cities. Cities that are big league cities have many more opportunities than those cities that do not have teams. For instance, what city would not love to host a World Series, or an All-Star game, or even a Super Bowl, and these events only have a chance to happen if a city has a major league franchise.

There have been many studies on this subject; according to Coates and Humphrey’s study on the effect of stadiums and the sports environment in 37 metropolitan areas, those professional sports teams had no measurable impact on the growth rate of real per capita income in those areas (Coates & Humphreys, 19). Professional sports do not really increase people’s income in those areas, but are

professional sports really supposed to do that anyway? Professional sports are part of the entertainment sector of the economy. Sports were not started to increase the income of people; they were started for fun and for a diversion from the daily regime.

How do sports reduce the economic level of real per capita income? One theory is public funding. Public funds are often used for subsidizing stadiums, and these funds could diminish the ability of the local economy to produce other non-sports-related goods and services, which in effect would reduce local income. Also, households face budget constraints, leading to substitutions in private spending. This is also referred to as the substitution effect; if households choose to attend games, then the household will have less money to spend on other things. If the impact of each dollar spent on these forgone alternatives has a larger effect on the local economy than the impact of each dollar spent on professional sporting events, the local economy will contract and the income will be lower. How could the impact of each dollar spent going to a NFL game be smaller than each dollar spent going to the movies? This could occur if the revenue generated by the NFL team and the stadium, which in turn becomes the income made by the players and the team owner, escapes the flow transactions that make up the local economy to a greater extent than the income made by the owners and employees of the movie theater (Coates & Humphries, 20).

The other aspect of this, which is very hard to measure, is the negative effect on productivity of employees. If productivity is defined as the amount of output that a worker with a given amount of capital, experience, and education can produce, it is a very

important determinant of income. The factors that affect employee output are very difficult to measure and will not be precise, but can be stated just for amusement. For example, if workers in cities with professional sports teams spend more time at work discussing the outcome of games, organizing office pools, and betting on games than workers without professional teams, this could over a period of time lead to differences in income per capita (Coates & Humphries, 20). This could also work in reverse as well; if a team wins a major championship the victory could fill the workers with pride and make them happier, more excited to go to work, and more productive.

Many residents of cities with teams derive many intangible benefits, such as emotional benefits, which help their psychological well-being. Many residents might be willing to stay in a market with professional teams for a lower salary, instead of moving and going to a place with no team at all for a higher salary (Coates & Humphries, 20). The main factor would be the immeasurable benefits derived from being a part of a “big league city”, in which case monetary value would not and should not be a part of the equation. Therefore, even if professional sports have no effect on the growth rate of real per capita income, they are still a very important “status symbol” as well as very important to the overall persona of a city: facts which could never be measured. What would Pittsburgh be like without the Steelers? What would a city like New York be without the Yankees? These teams are synonymous with the name of their city, and, with great right, should be. Thus, politicians and governmental decision makers try to attract and retain professional sports franchises; teams mean success, even if their success can not be measured by income growth or economic stimulation.

The Novelty Effect of New Facilities on Attendance at Professional Sporting Events

Something called the “novelty effect” plays a part in breaking down stadiums and whether or not these infrastructures are worth the cost in the long run. Both conventional wisdom and casual expertise suggest that new sports facilities boost attendance at sporting events. Economists, when analyzing the economic impact of professional sports teams and facilities on local economies, also typically assume that these effects are concentrated in the years immediately following the opening of the stadium. What is the “novelty effect?” This basically means that there is a possibility that new facilities affect attendance in a positive way by causing increased attendance in the first few years of a new stadium, but relatively soon after that, the novelty of a new stadium wears off and attendance drops back to the prior attendance levels. Roger G. Noll, author of *Sports, Jobs, and Taxes: The economic impact of sports teams and stadiums* suggests that the novelty effect of new sports facilities disappears seven to eleven years after opening. It appears that in baseball, the novelty effect of a new stadium now has a much shorter duration than in the past. For example, in Pittsburgh, where PNC Park opened in 2001, attendance was down about 26.8% in the 2002 season from the 2001 level, almost back to its level from the last season in Three Rivers Stadium in 2000 (Coates & Humphreys, 2). In Detroit, where Comerica Park opened in April 2000, attendance was down 21.7% in 2002 relative to 2001, which was lower than the 2000 level and even below the level for 1999, the last season in Tiger Stadium (Coates & Humphreys, 2).

Building new stadiums or arenas increase average attendance at professional sporting events held in these new facilities for the short term, but it is unclear how attendance will be affected in the long term. Some say that attendance and tickets sales are directly related to how well the team is playing, so in the above examples the teams may have not be very competitive in recent years and it is hard to measure how effective these stadiums really are. Both Pittsburgh and Detroit, have been awarded mega sporting events; Detroit will host the MLB All-Star game in 2005 and the NFL Super Bowl in 2006, and Pittsburgh will host the MLB All-Star game in 2006. If it were not for new stadiums, neither city would have been chosen for these mega events, which will generate massive tourisms and crowds and will help the city's businesses and also benefit the local economy. These events will also provide added exposure for the city, the city's businesses, the stadiums themselves, and the residents of these cities.

Hometown Teams and Hometown Fans

All the major league teams are based in particular places. Most of these places are in the United States, which right now host 30 of the 31 Major League Baseball teams, all 32 NFL teams, 24 of the 30 NHL teams, and 29 of the 30 NBA teams. The other eight franchises are located in Canada. All the places with teams are within a metropolitan area, in either a central city or the suburbs. It is inevitable that professional teams identify closely with the places where they play. Capitalizing on community pride has

always been very good business for professional teams and the major leagues. Civic spirit is demonstrated through embracing sports teams, and especially by tickets sales. Cities, for their part, embrace sports teams as a means of promoting places of interest. Having a team marks a city as being in the “Big Leagues,” while not having one meant, a place is a minor league or bush league city.

Professional teams not only represent cities, but they have become symbols of the places where they play. For example, the Dodgers came from the tag of “trolley dodgers” for Brooklyn’s inhabitants in a city crisscrossed by streetcar lines. The Boston Celtics celebrated the city’s Irish heritage, and the Minnesota Vikings represented the Scandinavians of the upper Midwest. The 76ers of Philadelphia and the 49ers San Francisco capture critical dates in the history of their cities, while the Steelers and the Brewers proclaim the products that made Pittsburgh and Milwaukee famous. There is a symbolic role of professional team’s names on their city, and it distinguishes them from most other enterprises that bear the city’s name (Danielson, 1997). People and residents connect with the places through their identification with professional teams.

Teams also represent places in competition with other localities; they personify, intensify, and create rivalries between cities. Rivalries among places are rooted in the pervasive competition for economic development and political favor; they are fueled by the civic religion of being bigger and thus better than the rival places. The Cleveland Browns vs. the Pittsburgh Steelers, a very heated rivalry that has been taking place for the last fifty years, or the San Francisco Giants vs. the Los Angeles Dodgers, but no other

rivalry marks this more than the New York Yankees and the Boston Red Sox. These two teams are arch rivals that are not only in competition with each other on the field, but the fans are also in constant competition. These competitions add electricity to the city and to the city's residents, giving residents more pride in their city's name, and winners of these events claim bragging rights over not only the team, but also the city that was defeated. Professional sports capitalize on these rivalries, through fixed schedules, pennant races, and championship games. And these rivalries mean money, pride, and are very important to cities.

Fans are the most committed followers of professional sports; fans provide the essential customer base, both for attendance at games and broadcasts. Most fans live or have lived in the area where their team is located. Fans root for teams that bear the hometown's name, and for the players that play for the home team. In the early days of professional sports and hometown teams, these loyalties were reinforced by players who were hometown boys. As the leagues progressed, professionalization, drafts, free agents, and quick recruitment of the best players were used regardless of where the players were from. Fans and local residents often live vicariously through teams and sports, and feel a sense of pride and satisfaction when their team wins or does well, and a feeling of anger or disappointment when their team loses.

Danielson (1997) states, rooting for the home team is both an individual and a collective experience. The individual fan is part of a group with similar interests. When fans support the local team, it is a collective experience shared by substantial number of

people; professional team sports are instruments of social and political integration.

Sports give people something to talk about as well as something to associate themselves with. Successful home teams enhance civic pride, and even individuals who happen not to be sports fans rally around a home town team when the team is playing well.

Emotional attachment to home teams underlies the intensity of many issues involving major league sports teams, especially when the topic of moving a franchise comes up.

Losing a home team is a wrenching experience for fans. For example, the city of Cleveland lost its football team, and the city was in a great depression and. In certain situations hometown loyalties do not disappear when teams move. For example, there are still many Los Angeles Dodger fans in New York and especially in Brooklyn, and many St. Louis Rams football fans still in Southern California.

Connection between professional teams and places they play used to just be in the immediate metro area, but now the connection expands further. Before World War II, ball parks and arenas were located in cities and almost all customers were city dwellers (Danielson, 15). Now with the accelerating diffusion of urban growth, a team's turf expands beyond the city limits. Television, satellite television, the internet, radio, and interstate system have expanded the access of information on teams and the accessibility of getting to the games. For example, the Red Sox draw listeners from all over New England. Network and satellite television have expanded the broadcasts of teams like the New York Yankees, the Dallas Cowboys ("America's Team"), the Miami Dolphins, Pittsburgh Steelers, Oakland Raiders, Boston Red Sox and the "Red Sox Nation," allowing all of these teams to develop a national following by fans (Danielson, 15).

“Major League teams are very attractive to places (cities). Having a team is widely seen as the mark of a being a big league city, losing one is perceived as a serious blow to a place’s status” (Danielson, 102). Professional sports mean more to people than just economic development; sports, teams, and stadiums mean so much to the life of the city, and it is very hard to measure in numbers. Professional sports mean action and adventure, they mean rooting and supporting the hometown team. They give a city an identity outside the companies and products the city produces, and they give a city national recognition. Also, sports give cities a sense of togetherness among residents, and when the hometown team wins, the team gives the city and residents enormous pride. Such aspects can never be measured.

Despite what many think, fans make professional sports viable and profitable. Fans are customers for the products produced by the private sports business; fans buy tickets, refreshments, team and league merchandise, cable sports programming, and products that advertisers sponsor on sports broadcasts. The emotional attachment that fans have towards teams make fans a particular kind of customer; fans love their team, they are very loyal, dedicated, and generate a very large customer base.

It is very clear that North America, and in particular, the United States is experiencing a sports construction boom. Many industry experts estimate that more than \$7 billion will be spent on new sports facilities before 2006, and the average subsidy

from a host city to its sports team most likely will exceed \$10 million a year (Noll & Zimbalist, 494).

When really analyzing professional sports franchises, one must take into consideration that major league franchises are almost monopolies. Teams maximize the profits of owners and the franchise by keeping the number of sports teams below the number of cities that are economically viable locations for a team. This causes cities to compete for prospective teams and expansion franchise often compete in a bidding war to buy a team. The only one who loses is the city that lost; the major leagues never lose.

Now more than ever the stadiums are no longer just ball parks or arenas; stadiums are entertainment venues. These hundred million dollar new arenas and stadiums, that contain features like extensive sections of premium seating, equipped with luxury boxes, club seating, elaborate concessions, catering, hotels, apartments with a view of the field, bars, restaurants, swimming pools, and theme-park like attractions, are replacing the rather ordinary cookie cutter, concrete slab, multipurpose stadiums of the 1970s. For example, Veteran's Stadium in Philadelphia was replaced with a new football stadium, Lincoln Financial Field, and a new baseball stadium; Citizens Park; and in Pittsburgh Three Rivers Stadium was replaced with Heinz field for football, and PNC Park for baseball.

To the extent that a new stadium is a central element of an urban redevelopment plan, the stadium must be placed in the proper location and be carefully laid out to maximize local businesses' profits. The value of a sports team to a city is a hard thing to measure and should not be measured in dollars of new income but it should be

appreciated as a potential source of entertainment and civic pride that comes with a substantial net cost (Coates & Humphreys, 19).

New Sport Facility Construction in the U.S. since 1998-2003

<u>City and</u>	<u>Professional</u>	<u>Year</u>	<u>Total</u>	<u>Public</u>	<u>Age of Facility</u>
<u>state</u>	<u>sport</u>	<u>opened</u>	<u>cost</u>	<u>Subsidy</u>	<u>Replaced(YRS)</u>
			<u>millions</u>	<u>millions</u>	
Cincinnati,					
OH	Baseball	2003	\$297	\$297	34
Detroit, MI	Football	2002	\$306	\$199	27
Houston, TX	Football	2002	\$374	\$257	37
Boston, MA	Football	2002	\$332	none	31
Seattle, WA	Football	2002	\$408	\$306	26
San Antonio,					
TX	Basketball	2002	\$179	\$179	9
Denver, CO	Football	2001	\$417	\$313	41
Pittsburgh,					
PA	Football	2001	\$263	\$183	31
Dallas, TX	Basketball *	2001	\$438	\$219	21
Milwaukee,					
WI	Baseball	2001	\$410	\$317	48
Pittsburgh,					
PA	Baseball	2001	\$273	\$231	31
Cincinnati,					
OH	Football	2000	\$479	\$479	31
Atlanta, GA	Basketball*	2000	\$227	\$195	3
Detroit, MI	Baseball	2000	\$319	\$122	88
Houston, TX	Baseball	2000	\$266	\$191	35
San					
Francisco	Baseball	2000	\$351	\$11	40

Cleveland,					
OH	Football	1999	\$311	\$311	53
Nashville,					
TN	Football	1999	\$319	\$319	no stadium
Denver, CO	Basketball*	1999	\$187	\$10	24
Los Angeles,					
CA	Basketball*	1999	\$363	\$65	32
Indianapolis,					
IN	Basketball	1999	\$201	\$87	25
Seattle, WA	Baseball	1999	\$587	\$409	23
Baltimore,					
MD	Football	1998	\$251	\$251	44
Tampa, FL	Football	1998	\$190	\$190	22
Miami, FL	Basketball*	1998	\$197	none	10
Phoenix, AZ	Baseball	1998	\$392	\$267	no stadium

*** Also home to an NHL team
(Coates & Humphreys,19).**

Baltimore: Camden Yards example

When professional sports teams, owners, and politicians speak in favor of new ballparks and stadiums, the subject and history of Camden Yards is always brought up. Camden Yards was the first of the state-of-the-art new ballparks to be built in the U.S. Since its opening in 1993 there has always been something different about Camden Yards. The move of the Orioles from their old park, Memorial Stadium, to the new Camden Yards seemed to propel the team from a weak financial base team to one of the most successful teams in baseball. Although, team has not been in the playoffs since 1997, when they won American League East Division, the Orioles are still a very

financially strong team. Average attendance at the old stadium was 26,823 per game, and Camden Yards' average attendance jumped to 45,034 in the first five years of the move (Noll & Zimbalist, 245). When the subject and debate of a new stadium came about the Orioles and Orioles' ownership were in a position to maximize profits from any source that was available. During the latter years of Memorial Stadium, the Orioles were in a position to extract a larger subsidy, if not in Baltimore, then in another city. Noll and Zimbalist (1997) state, that the Orioles had a few objectives: first, to build a new stadium that would attract more fans, and second, to ensure that a new stadium had a substantial number of premium seats and luxury box seats. The luxury boxes were very important because revenues from luxury boxes are not shared with the league and go directly to the team. After much debate, Baltimore's Inner Harbor was chosen for the new site of Camden Yards (Noll & Zimbalist, 246). Thus, things would never be the same in professional sports and public financing for sports stadiums. The *Baltimore Sun* wrote about the effect of Camden Yards, and emphasized how it had "an uplifting psychological impact on the city, over and above any direct physical or economic impact" (Narcowich, 1998). So, status and the psychological impact of teams and stadiums are in some cases worth more than money.

When a team, ownership, and a city choose a site with the hopes of stimulating the local economy and local economic development, many matters must be taken into consideration. Luckily, for Baltimore and the metro area a great site was chosen in this situation; the Inner Harbor was located in the heart of the city. The history of the Inner Harbor was a part of the city that was largely made up of abandoned warehouses. The

massive transformation of the Inner Harbor started in the late 1970s, and now a substantial number of high class hotels and restaurants, upscale retail shopping, legal and financial offices, and many tourist attractions, such as the National Aquarium and the Maryland Science Center exist. These attractions are just a short walk from the stadium. Camden Yards and the Inner Harbor are readily accessible from all directions, in particular Interstate 95, and there is also rail access, with same day trains stopping directly in front of the stadium (Noll & Zimbalist, 246). Baltimore transformed itself into a Central Business District and the city financed a football stadium in the Inner Harbor.

The Ravens stadium at Camden Yards, named M&T Bank Stadium, was projected to cost about \$200 million, plus \$24 million in luxury boxes to be paid by the Ravens out of the proceeds from personal seat licenses. The Ravens are a team that has had a tremendous impact on the morale of a city and the quality of life benefits that culminated with a 2000 Super Bowl win.

Economic Benefits from the Ravens

Millions of Dollars

<u>Benefits</u>	<u>Amount</u>
Benefits of job creation	0.07
Out-of-stadium incremental taxes	0.2
Incremental admission tax	0.8
Sales tax on incremental stadium spending	0.07
Total	1.14

(Noll & Zimbalist, 273).

The impact of Camden Yards generated sufficient new revenues and did spur a renaissance in Baltimore's Inner Harbor, but the value of public consumption benefits received by these stadiums is unclear. It is clear, though, that these stadiums did and do have a positive quality of life benefit to the residents of Baltimore's metro area. Narcowich (1998) stated Camden Yards provided something for the general public to focus on, to strive for, and something for a whole city to rally around.

Cleveland

Ten to fifteen years ago there was no shortage of sarcastic jokes about the city of Cleveland and the downtown area. The city was called the "mistake on the lake" and T-shirts mocked the city quoting, "The only sign of life in Cleveland is: 133 miles till Pittsburgh," and the image of being a failed city was reinforced by the long string of losing seasons by the Indians. There is no positive way to put it: Cleveland was a decaying city, viewed by many as a dirty and deteriorating center, which was seen as a very lonely place. Movies even mocked the sports teams of Cleveland. Today, the city is completely different and the image is changing. The downtown area of Cleveland is now a focal point for recreation, civic celebrations, and entertainment, and yes, professional sports. In the 1990s, Cleveland built not just one professional sports stadium, but three; the city has a stadium for the Indians, the Cavaliers, and the Browns. These stadiums, along with new shopping areas, apartments, condominiums, night clubs, bars, and restaurants, now are thriving in Cleveland's downtown business district.

Characteristics of Gund Arena and Jacobs Field

<u>Characteristic</u>	<u>Gund Arena</u>	<u>Jacobs Field</u>
Start date	1991	1991
Opening date	1994	1994
Seating Capacity	20,562	42,865
Club seats	2,000	2,064
Suites	92	122
Estimated cost (millions \$)	75	128
Final estimated cost (millions \$)	148-157	176-180
Overrun (%)	97.3-109.3	37.5-40.6
Team investment (millions \$)	41.6-60.5	63.5

(Noll & Zimbalist, 362).

In 1996 attendance at events at Gund Arena, home of the Cleveland Cavaliers, and Jacobs Field, home of the Indians, exceeded four million (Noll & Zimbalist, 355). Now Jacobs Field and Cleveland have been seen in a positive light; the new baseball stadium now known as “The Jake on the Lake,” has been in the spotlight and hosted two World Series. The city is expanding the theater district close to the sports facilities and the “Flats”, a site of numerous restaurants and clubs, and new condominiums and apartments. This site is located on the banks of Lake Erie, which is now identified as the “North Coast Harbor.” The city also financed a football stadium for the Browns and broke ground in 1997. Now when someone visits Cleveland it is virtually impossible to be unaffected by both the excitement that now exists in the downtown area. The three new sports facilities are entertainment destinations and provide image vitality, a stark

difference in view points of Cleveland life a few years earlier. These changes are in vivid contrast to the past images of downtown Cleveland (Noll & Zimbalist, 356).

The rebuilding of Cleveland has spurred several new initiatives. First the shores of Lake Erie were developed, and the Rock N Roll Hall of Fame and Museum and the Great Lakes Science Center opened. There have been more restaurants, bars, several shopping malls, office complexes and buildings, and apartments built.

Large Economic development Projects in Downtown Cleveland, 1991-95)

<u>Project</u>	<u>Year of Completion</u>	<u>Cost in Millions of \$</u>
Great Lakes Science Center	1996	55
Rock and Roll Hall of Fame and Museum	1995	92
Wyndham Hotel	1995	27
Convention Center	1991	47
Society Bank/Key Corp Tower Center	1991	400
Bank One Center	1991	95
Reserve Square Hotel renovation	1991	20

(Noll & Zimbalist, 381).

Cleveland built these complexes for several purposes: first, to maintain the city as the home for the Indians, bring the Cavaliers back to the downtown area from the suburb of Richfield, and get an NFL expansion team, and increase job levels and wages on the area adjacent to the facilities in the downtown area. The city achieved three of those

goals; as for the fourth objective, it remains to be seen. It does seem that Cleveland has been successful in redirecting or reshuffling patterns of recreational spending within the region. These changes do not imply economic growth, but it does represent real enhancement in the metro area, and job growth for the economy of the downtown (Noll & Zimbalist, 357).

New Trends

In the United States it is clear that professional sports and cities are experiencing a sports construction boom. Right now, the Dallas Cowboys are getting a new \$650 million dollar stadium, and it will be located in Arlington. The city of Arlington passed a vote to approve a tax increase to fund this stadium, which is expected to be completed in 2009. Arlington taxpayers voted “Yes” for a .5% sales and property tax that will allow the city to fund \$325 million, with the Cowboys investing the other half. This stadium will be 75,000 seat-stadiums which can be expanded to a capacity of 90,000, include a retractable roof (Eatman, 2004). With this stadium, the Cowboys and the city of Arlington are hoping to host several major events, including a Super Bowl, College Bowl Championship Series football, as well as the annual Red River Shootout between Oklahoma and Texas. It remains to be seen whether this stadium and this effort will stimulate the economy of Arlington, or create jobs, or have a positive benefit to the quality of life of the residents and people of the metro area.

When analyzing the economic impact of professional sports teams or a facility, three questions must be asked: Does it promote the general economic development of a

metropolitan area? Can it significantly assist in maintaining the vitality of the central city? Can it stimulate micro-development in a small, defined district within the city?

Many studies have concluded that metropolitan and central city economic development is not likely to be affected by a sports team or a new facility. Whether this notion can be supported depends upon factors such as: the development plan, the area's physical, economic, and demographic characteristics and the facility's financing and lease agreements. Proponents argue that sports teams produce substantial positive impact, but many of the proponent's data is very confusing. Proponents often confuse new spending with spending that is diverted from other local activities, often called the "substitution effect", in which sports facilities simply redirect spending from one entertainment activity to another, thereby producing little to no increase in economic activity for a region. Second, proponents attribute all spending by out of town visitors to the sports team regardless of the visitor's motives for visiting in the first place. Third, proponents overstate the multiplier by ignoring crucial characteristics of sports spending. Fourth, proponents apply this inflated multiplier to gross spending, rather than local value added. Finally, proponents omit the negative deficits from the taxation that is used to finance construction and operating deficits of the facility. The claims that a transformation will turn a rundown city into a "Big League City," have a revival, and attract new businesses to the area is a very obtuse proposition. When calculating the cost-benefit analysis, there are frequently faulty assumptions. Some assume that the potential site has zero opportunity cost or that a stadium does not impose additional security, infrastructural, or environmental costs to the city, and fail to claim that the city and the new businesses will

have more of a probability of fiscal distress and challenges to the city's educational system, tax rates, and services overall.

What are the Benefits of Hosting a Major League Sports Franchise??

Over the last few decades the number of U.S. metropolitan areas large enough to host a franchise from one of the four major professional sports leagues has soared. Even as the National Football League, Major League Baseball, the National Basketball Association, and the National Hockey League have expanded to include more franchises, demand by metro areas continues to exceed supply. As a result, metro areas have been forced to compete with each other to retain and attract franchises.

Large expenditures on the construction of new sports facilities have been the main form of this competition. Sports stadiums and arenas are extremely expensive. A new football or baseball stadium costs approximately \$325 million; a new basketball or hockey arena costs approximately \$200 million. The public's share of these costs has averaged \$200 million and \$100 million, respectively. During the 1990s more than \$6 billion in public funds was spent on the construction of sports stadiums and arenas. Almost \$4 billion has already been allocated towards new facilities scheduled to open by the end of 2004 (Rappaport & Wilkerson, 2004).

Large public spending on sports facilities has been very controversial. Usually these costly projects are justified by the claims that hosting a sports franchise spurs local economic development by creating numerous new jobs and boosting local tax revenue. However, many economic studies suggest that taxpayers may not be getting such a good deal; the studies show that the benefits are much smaller than the proponents suggest.

Many opponents of public funding fail to take into consideration how sports teams and stadiums affect the metropolitan areas' quality of life. This is very difficult to measure, but the contribution of a sports franchise to the quality of life may exceed more traditional job creation and tax revenue benefits. If this is the case, when the quality of life benefits are included in the over all cost benefit calculation, public spending may not appear to be such a bad investment for many metro areas.

More than half of the U.S. population lives in one of the 38 metro areas that host one or more professional teams from the four major professional sports leagues. Millions more live in rapidly growing metro areas with populations large enough to make them a potentially attractive place to locate a team. With the demand for hosting major league teams exceeding supply, both current and potential host metro areas have been forced to compete to retain and attract franchises; this almost always requires allocating large public expenditures to the construction of sports stadiums and arenas.

Stadiums and Arena Openings, 1994-2004

	<u>Number of Facilities</u>	<u>Avg. Cost (mill)</u>	<u>Avg. Public Cost</u>	<u>Public Cost as % total</u>
<u>1994-1990 new</u>				
MLB/NFL	17	286	188	66
NBA/NHL	19	185	84	45
<u>1994-2000 Renovations*</u>				
MLB/NFL	6	110	88	82
NBA/NHL	2	114	98	86
<u>2001-04 new**</u>				
MLB/NFL	15	366	230	63
NBA/NHL	3	225	114	51

*= renovation of at least \$60 million

**= facilities approved by January 1, 2001
(Rappaport & Wilkerson, 57).

The NFL, MLB, NBA, and NHL are the four professional sports leagues, and 121 of those teams in the four leagues play in 92 stadiums and arenas in 38 U.S. metro areas. The remaining ten teams play in eight stadiums in six different Canadian metro areas. This will change from ten teams to nine teams with the move of the Montreal Expos to Washington D.C. in the 2005 MLB season, and there will be 93 stadiums in the U.S. Since 1994, more than \$8 billion has been spent constructing new stadiums to host major league teams; another \$1 billion has been spent on major renovations of existing stadiums. While very few of the stadiums were financed privately, most received large contributions from local and state governments (Rappaport & Wilkerson, 58).

Sports stadiums and arenas are very expensive, so to finance these stadiums, local and state governments often issue bonds. These bonds are usually paid off through various sorts of taxes enacted especially for this purpose. Increased tax revenue resulting from the presence of the professional sports team arises from sales taxes and income taxes.

Supporters of using public expenditures to finance the construction of sports facilities argue that hosting a major league franchise helps spur economic development. Proponents attempt to qualify how hosting teams affects a variety of local economic indicators such as output, personal income, jobs, and tax revenue. Stadium advocates suggest that increases in these indicators justify the large public outlays on sports facilities. For example, "a 1996 study, argued that the NFL Seattle Seahawks in their former stadium increased Seattle annual output by \$69 million, increased Seattle annual

personal income by \$41 million, created 1,264 Seattle jobs, and raised \$3.3 million in state and local taxes per year” (Rappaport & Wilkerson, 58).

Rappaport & Wilkerson (2004) state the most common measure of economic activity is the creation of new jobs; this measures and accounts for the net number of new jobs associated with a team’s presence along with determining the benefit of these jobs to the host metro area. Net job creation is a relatively good measure of the possible increase in economic activity associated with hosting a professional sports team. Estimated net job creation can be explicitly valued in terms of its benefit to a metro area’s existing residents. Gross job creation is the number of jobs that can be linked to the presence of a sports team. The main argument is that these jobs are created mainly within the stadium itself and at nearby businesses catering to the people who attend sports events; also many say that the presence of professional sports teams create job loss too. This is due to the fact that individuals who spend money to attend sports events have less to spend at businesses elsewhere in the host metro area, and less spending results in job loss.

When measuring the benefit from increased economic activity, it is not enough to estimate the net number of jobs created; it is also very valuable to find out how beneficial these jobs are to the metro area. It is also very pertinent to realize that a metro area’s existing residents may not benefit at all from net job creation. For example, consider the case of metro area residents who already have high paying jobs which they enjoy. They do not necessarily benefit from more jobs in a metro area.

The presence of a major league sports franchise can help make a metro area an attractive place to live. Nearly all analyses of the benefits from hosting professional sports teams recognize this contribution to a metro area's quality of life. Quality of life benefits are difficult to quantify; stadium proponents and critics usually pay them little attention beyond such acknowledgment. The term "quality of life" basically is meant to capture the satisfaction, or happiness.

Professional sports teams contribute to a metro's area quality of life primarily by increasing the happiness of sports fans. The most visible source of fan happiness comes from attending home games. However, only part of this happiness actually counts as a quality of life benefit attributable to hosting a team, due to the fact that fans must pay to attend games. In the absence of a professional sports team, fans could instead use their money they paid for game admissions on other sources of happiness, such as watching a movie or traveling to a different metro area to attend a game (Rappaport & Wilkerson, 64).

One other source of happiness for fans comes from rooting for a team. Fans watch games on television, listen to them on the radio, and read about them in local newspapers. Games serve as an occasion for parties and barbecues. Teams' performance is the subject of long discussions among friends, and second guessing and the Monday morning quarterback are part of nearly every fan's conversation and local talk radio. It is very possible that hosting a franchise increases the happiness of all metro area residents,

regardless of whether or not they are sports fans. Home games and rooting for a sports team provide shared community experiences. Hosting a sports team may increase civic pride, for example, by contributing to a sense that one lives in a “world class” city. However, hosting a team can also decrease happiness in some metro areas. Home games impose traffic and congestion in the vicinity of sports facilities and television viewers face interruption of their favorite syndicated shows by local game broadcasts.

Determining the value of the happiness that metro area residents derive from the presence of a major league team is extremely difficult. A person’s happiness from attending a game or from watching a game on television is not observable. There are a few possible ways of valuing the quality of life benefits. One would be to survey a sample of the metro area residents about how much they would be willing to pay to retain or attract a team. A second approach uses variations in metro area wages and house prices to implicitly value quality of life attributes that may be similar in magnitude to hosting a major league franchise. A third approach looks at the actions of metro areas that have lost sports teams, and this method may be the best to survey the quality of life benefits from hosting a team. (Rappaport & Wilkerson, 64).

In a major study of this kind, Pittsburgh metro area residents were asked during the winter of 2000, “What is the most you would be willing to pay out of your own household budget each year in higher city taxes to keep the Penguins in Pittsburgh?” The responses valued the quality of life benefits from hosting the NHL Penguins at somewhere between \$0.83 to \$2.30 per Pittsburgh metro area resident per year. Given

metro Pittsburgh's population of 2.4 million and converting to a net present value basis using a six percent interest rate, the value of hosting the Penguins for 30 years is estimated to fall somewhere in the range of \$26.9 million to \$74.7 million (Rappaport & Wilkerson, 72). There are several reasons to believe that the quality of life benefits to Pittsburgh from hosting the Penguins may be low relative to such benefits with other major league teams. First, the quality of life benefits from hosting an NHL team are probably the lowest of the four professional leagues. For example, only 15 of the 24 NHL teams have local network television contracts. Pittsburgh also hosts the NHL Steelers and the MLB Pirates. Therefore, even if the city were to lose the Penguins, Pittsburgh would still host two major league teams (Rappaport & Wilkerson, 73). Many economists theorize that the additional benefit of something decreases as you gain more of it. At the time the survey was conducted, the Penguins organization was in Chapter 11 bankruptcy proceedings. These financial problems faced by the Penguins have had have also lowered the team's contribution to Pittsburgh's quality of life

A very good way to value the quality of life benefits provided by professional sports is to look at cities that once hosted major league teams until those teams moved elsewhere. These metro areas provide the best information on the quality of life benefits because residents can compare happiness both with a team and without a team. Since 1980, only thirteen U.S. metro areas have lost major league teams. Six of these lost NFL teams: Oakland (1983), Baltimore (1984), St Louis (1988), Los Angeles (two teams in 1995), Cleveland (1997), and Houston (1997). Four metro areas lost NHL teams: Atlanta (1980), Denver (1982), Minneapolis (1993), and Hartford (1997). Two metro areas have

lost NBA teams: Kansas City (1984), and San Diego (1984). One metro area has lost an MLB team: Montreal (2004). (Rappaport & Wilkerson, 75). Since 1980, five NFL cities that have previously lost teams regained an NFL franchise: the Raiders left L.A. and went back to Oakland, the Browns moved to Baltimore and were renamed the Ravens, St. Louis received the Rams from L.A. as well, Cleveland was awarded an expansion team and were renamed the Browns, and Houston was also awarded an expansion team named the Texans. Every NFL city that lost a team except Los Angeles regained an NFL franchise in some way, shape, or form, and there are talks about an NFL expansion again. L.A. is a prime candidate because of the second television market in the U.S. Of the four cities that have lost NHL franchises, three now have teams again. In NHL, Atlanta was awarded the expansion team the Thrashers, Minneapolis was awarded the Wild, and Denver now has the two time Stanley Cup Champions the Avalanche (Rappaport & Wilkerson, 76). In all of these cities that lost teams and then regained teams a short time later, professional sports had to play a significant role in the cities' culture and have a positive impact on the quality of life to city residents. Most experts feel that losing an NFL team would have the worst effect on the positive quality of life benefits of professional teams, which is why so many metro areas that lost teams regained NFL teams in the future.

National Football League Franchise Relocation, 1990 to present

<u>Team</u>	<u>Moved From</u>	<u>Moved To</u>	<u>Year</u>
Cardinals	St. Louis	Phoenix	1990
Rams	Los Angeles	St. Louis	1995
Raiders	Los Angeles	Oakland	1995
Browns	Cleveland	Baltimore	1996
Oilers	Houston	Nashville	1999

(Rappaport & Wilkerson, 75)

The NFL cities that have lost teams were quick to try to get back “into the game”, and public finalizing was a huge part of that, as well as trying to show residents the positive economic impact of these teams. St. Louis lost the Cardinals in 1987 after the city refused to allocate \$120 million toward the construction of a new football stadium, but less than three years later, St. Louis voters approved \$280 million in public funds for a new football stadium even before the city had a team to play in it. Then two years after Cleveland lost the NFL Browns, Cleveland allocated \$214 million towards the construction of a new football stadium for a newly awarded expansion team (Rappaport & Wilkerson, 76). The experiences in the NHL and the NBA have not been as positive though. Minneapolis spent only about \$17 million to prevent the departure of its NHL franchise, the Stars, which the city lost, but in 1999 the city decided to allocate \$130 million to attract a new NHL franchise. Atlanta and Denver managed to do without NHL hockey for 19 and 13 years, respectively, but now both have franchises. Hartford has

been actively pursuing and trying to attract an NFL team rather than a replacement for their departed NHL team, but Hartford will never be awarded an NFL franchise because of the city's close proximity to two other NFL teams. Neither Kansas City nor San Diego has made any extensive efforts to replace their NBA franchises (Rappaport & Wilkerson, 76).

Furthermore, the aggressive bids by metro areas to replace teams that have departed further supports the view that the overall value to a metro area from hosting a professional sports team may exceed the large public expenditure, and be very beneficial to the "psychological well-being" of a city. Cities' aggressive bidding to attract professional teams would almost certainly be due to a large contribution to the residents' quality of life.

U.S. metro areas during the last 20 years have had to compete with each other to retain and attract Major League teams, and cities attempt to show both the leagues and the residents the positive economic impact of these teams. Large public subsidies are used to finance these stadiums and the use of public funds has been very controversial. Proponents of using public funds argue that the benefits from increased economic activity and increased tax revenue collection exceed the public costs, but on the contrary many studies have found the benefits to be much smaller than claimed. So the question arises, so does it make economic sense for a city and a metro area to use public funds to attract and retain Major League sports franchises? The answer is, it depends, but no, if the benefits are limited to increase economic activity and tax revenues because that has not

worked yet. However, a very strong case can be made that the quality of life benefits and a positive “psychological well-being” of residents justify the large public costs associated with professional sports. In many cases, quality of life benefits are not included in the debate on this issue, but they should be. Acknowledging that a main benefit to a city and the city’s residents is a better quality of life could be a significant selling point, but unfortunately this is a very hard matter to judge and measure.

Big League Cities

Major league teams are very attractive to cities and residents of those cities. Having a team is widely known as the mark of a big league city, and losing a team is perceived as a serious blow to a city’s status. There is more of a symbolic importance of major league teams to cities; there is an emotional attachment between teams and hometown fans, making professional sports a very special kind of business in cities. These teams attract far more attention in the local press than any other business in the city; there are whole sections in local newspapers dedicated to hometown teams. These teams also carry their name and the city’s name across the world, whether it is to other stadiums, arenas, on television screens, or sports pages in other markets. When measuring the economic impact of professional sports, one must fully understand the nature of sports and how teams relate to the places they call home.

Major league teams command more public attention than any other teams in a city. Professional teams are critical to the status of a city and a metropolitan area because of their popularity and visibility. Art museums, symphony orchestras, theaters, and zoos are all marks of major cities, as are libraries and universities, and great commercial and industrial corporations, but professional teams are seen as more easily and widely recognized symbols of a city's importance. For example, one business executive said, "How can I bring people to Pittsburgh to work for Westinghouse, if I can't tell them we have a major league community?" (Danielson, 1997). When a city does not have a major league team it marks that city as a minor league city, which is why so many cities compete each time expansion happens in the major leagues. Cities know what a team does for the image of the city. Another aspect of being a big league city that is often overlooked is being listed with other big league places in standing, scores, and other daily items on the sports pages, news shows, and ESPN. Media coverage of professional sports publicizes cities, metropolitan areas, and states that have professional teams. Being in the big leagues also offers cities the opportunities to host special events, for example the Super Bowl, World Series, other championships, and All-Star games, which will publicize the city and showcase it. For example, "the 1986 All-Star game in Houston made people think of Houston as a place to visit by showing that things are going on all the time and that exciting things are happening" (Danielson, p. 103). "The 1988 Super Bowl provided San Diego with exposure that one businessman found 'hard to imagine' and 'beyond comprehension'" (Danielson, P. 103). Using sports to get into the big leagues is a particularly important to smaller cities and newer metropolitan areas. Some call it "getting put on the map." When Nashville was trying to get a new stadium

and trying to lure a NFL franchise, the city tried to sell the point that it is “a way for us (Nashville) to get noticed as something other than a small town with good country music.” (Danielson, 104). On the outside small markets are less attractive to team owners, smaller places generally are willing to do more than larger areas to secure a place in the big leagues; so smaller cities are more likely to build arenas or stadiums in an effort to lure a team or retain a franchise. For example, when Los Angeles a huge market, and the 2nd largest U.S. television market, lost two NFL franchises the city still had an identity. Essentially, L.A. doesn’t need NFL football to survive, but when a city like Cleveland lost the Browns the city was in a deep hole, both image-wise and economically, as well as from a quality of life standpoint. The city did not rebound until they got the Browns back.

The proponents of professional sports always try to showcase the economic benefits that come from places that have major league teams. These teams, along with arenas and stadiums, are substantial enterprises with sizable payrolls. Games do indeed attract people to the places where the home team plays, generating customers for all kinds of businesses. Construction of arenas and stadiums create jobs, and can spark development of city or suburban areas. Most notably, professional teams are seen as stimulating economic activity by increasing the attractiveness of a place for commerce and industry. All of these benefits come from a nonpolluting business that also offers a variety of intangible benefits to a city and the city’s people.

Economic rewards from professional sports are both direct and indirect. Direct economic benefits include rent on an arena or stadium, income from suites and other preferred seating, parking fees, concessions sales, jobs with teams, local purchases by teams, and tax revenues. Indirect benefits, which typically account for a substantially larger share of the overall economic benefits, encompass general economic activity such as spending on food, lodging, and transportation. Estimates of economic impact vary considerably among cities and sports, depending on the league and the market. For example, “in Philadelphia in 1988, the four major league teams were estimated to produce \$343 million in direct and indirect benefits for the city and \$576 million for the metropolitan area as a whole” (Danielson, P. 105). There can also be additional benefits from the World Series, Super Bowl, and other special sporting events that are directly related to having a major league franchise. For example, expectations that out-of-towners would contribute \$5 million for each home game for the Atlanta Braves in the 1991 World Series were huge economically for Atlanta, or the benefits from the 1987 World Series was calculated at \$93 million for Minneapolis and \$105 for St. Louis. Estimates of the local economic bonanza from Super Bowls range from \$119 million for the 1992 game in Minneapolis to \$226 million for the 1986 game in New Orleans (Danielson, P. 106).

The costs of teams and games are often overlooked, though. Costs include public operating expense for arenas and stadiums, amortization of stadium debt, and subsidies for stadiums. The public also bears the cost of police protection, traffic control, and

roads for arenas and stadiums. Other costs involve taxes foregone on sports facilities and revenue lost from tax exemptions granted to professional teams.

The treatment of benefits as well as the cost of teams and stadiums in the relation to the economic benefit must be weighted in this debate. The fundamental issue of this debate is whether the stadium and team causes a net increase in area activity rather than a mere reallocation or redirecting of activities or money. For example, most money spent on professional sports would be spent on some other form of entertainment or leisure activity if there was no team; only expenditures by visiting teams and out-of-town customers contribute to the net addition to the local economy (Danielson, P. 107). Critics also question the value of jobs created by professional teams. Aside from construction jobs and a relatively small number of executive and administrative jobs, most employment generated by professional teams is low-wage seasonal service jobs.

Benefits to particular cities depend on where money generated by professional sports is spent. Metropolitan areas are growing, and a locality that invests in professional teams does not always reap the economic benefits that are derived from the team or stadium. Benefits are particularly difficult for suburbs to capture because suburban jurisdictions tend to encompass relatively small portions of a metropolitan area. "A study of the suburbs that host the Dallas Cowboys and the Texas Rangers conclude that the economic benefits of professional sports have spilled over the boundaries of Arlington and Irving and are affecting the economies of many different cities in the region" (Danielson, P. 107). Determining the benefits, particularly indirect benefits, of a

complex economic activity in a large city or metropolitan area is very difficult. The studies used to measure the economic benefits are mainly used for governmental purposes and to calculate if there is a need for public subsidies for stadiums, or to attract or retain teams, and these studies always aim to put professional teams in a positive light. Public investments in arenas and stadiums, along with good leases and other subsidies, reduce the operating costs of teams, thus increase the teams' profitability (Danielson, P. 107). Newer facilities usually result in larger crowds and more concession sales, which boost team revenues. Attractive stadiums and higher revenues increase the market value of teams. For instance:

The construction of Camden Yards by Maryland produced enormous benefits for the Baltimore Orioles, as attendance and revenues soared at the beautiful new ballpark, the riches that flowed from the new stadium were a principal factor in the sale of the Orioles in 1993 for a record \$178 million, none of which was shared with the people of Maryland who built Camden Yards (Danielson, 107).

The risks of these stadiums also receive little attention in studies, and the risks are borne largely by the public. The biggest risk for a city is to build a stadium or arena and wind up with no team because the team relocates, or because efforts to lure a team or an expansion team fail. For example, Montreal, built a stadium for the Olympics in the 1970s in hope of also getting an expansion team, the Expos, but now the Expos relocated and left the city, the fans, and a stadium. There is also the risk of labor disputes that put the industry on hold. Strikes and lockouts, both shorten the seasons and result in losses

in rent and concessions income, as well as any other economic benefits that are generated from teams. For example, the 2004-2005 NHL season was cancelled due to labor disputes among the owners and players. The loss of the NHL season is costing local businesses in NHL cities thousands of dollars in lost earnings.

Professional sports are vigorously promoted as a means of stimulating economic development. Cities and metro areas with professional teams are widely viewed as more attractive business locations and places to live than cities that are not in the big leagues. The Cowboys make Dallas “a more exciting and attractive city” for business; “a corporation seeking to locate a plant or home office in the Southwest could be influenced in favor of Dallas because a nationally-known professional football team is located there” (Danielson, 108). New York is known for the 26-time World Series champion Yankees; just like San Francisco is known for the 49ers. Teams represent cities; Pittsburgh and the “City of Champions” is known for being a Black-and-Gold City because all of the sports teams’ colors are black and gold, or the fact that the city is a better place with the Steelers and are a lot more fun when the Steelers are winning. It still remains to be seen if the presence of major league teams truly affect locational decisions of major business, but some feels it can not hurt, it can only help. Right now in the year 2005, every major U.S. market has a professional sports team, and that has to count for something.

Development goals for specific parts of the city or metro area may sometimes be tied to professional sports facilities. Arenas and stadiums are seen as magnets that will bring businesses and tourists into a particular area, revitalizing decaying neighborhoods,

enhancing the appeal of downtown to investors, or fostering economic development in suburbs. Traditionally, ballparks were always located in urban areas where land was cheap, and urban areas used sports to boost downtown development. The major hope is that downtown stadiums, i.e. Pittsburgh, Cleveland, Baltimore, etc... will promote the city and turn the city into a Central Business District (CBD) in the evenings and on the weekends, and boost tourism, restaurants, and hotels. Arenas and stadiums have had positive effects in many places. For instance, "in New Orleans, the Superdome sparked nearby hotel, retail, and office development, and the development of three stadiums and arenas in downtown Atlanta contributed to the expansion of the central business district" (Danielson, 109). In most of these cases the stadiums have been only a part of the overall larger development efforts. In Baltimore, Camden Yards was part of the "icing on the cake" for a city which was rebuilding its center around the waterfront and the Inner Harbor, with a shopping area, aquarium, restaurants, and hotels around the ballpark.

Economically, the bottom line for major league teams and their arenas and stadiums is that, at the very best, the teams and stadiums make modest contributions to the local economy and the metro area. In most cases the benefits in terms of jobs, tax revenues, and the general economic development are overstated, and the cost understated. The one thing that keeps changing, though, is the price tag for these projects, and the price keeps on increasing, particular in areas of CBDs, and the economic benefits have become harder to realize. When politicians or the leagues try to sell these stadiums to the public, the question is, who will pay for them? This question leads advocates to claim the stadiums will lead to economic riches and revitalize cities.

Major league teams and sports are a very important addition to an area's entertainment, recreational, and leisure activities. When baseball was brought to Denver, a city official was quoted in regards to the team, "(baseball) was about fun, about quality of life, building a community that had a lot of diversity, a lot of activities" (Danielson, 110). It is a fact that a good number of people enjoy professional sports, and that enjoyment is enhanced when there is a home town team to support, follow, and root for. Professional sports teams' foster civic pride and add a communal identity to the city and metro area. A local politician in Buffalo claims the Bills "are the very soul and fiber of its community" (Danielson, P. 109). Sports, especially professional sports, provide a city with communal ties. Many city officials share the same sentiments, "sports is one of the few things in life that transcends all strata of the community" or "it (sports) is one of few things left in society that ties us together, regardless of race, economic standing or gender" (Danielson, 110).

Professional sports franchises and stadiums are very politically attractive for politicians. Stadium building is also very politically attractive, particularly when stadiums are tied to downtown revitalization and redevelopment programs. These politicians try to convey the idea that stadiums and arena generate many opportunities and economic gains. Political leaders usually conclude that the benefits of teams and stadiums outweigh the costs, claiming that sports and teams are signs of progress and optimism.

Economics of the sports

Robert K. Whelen was quoted as saying:

People have a limited amount of discretionary income. They may use it on attendance at professional sporting events. In the absence of pro sports, they will spend the money elsewhere-lower level sporting events, the movies, etc. The same is true for large corporations. If they don't buy sky boxes, they will entertain their clients elsewhere (i.e. restaurants). Sports facilities generate very few jobs. For a local economy, player management (and that may come from outside) and low-level game day employment (vendors, etc...). A modest factory or a small research facility has far more impact (Reich, 2001).

The local economic benefits from professional sports are mainly derived from four sources: spending on attendance at the games, spending on concession items sold at the games, spending before and after the games, and the taxes paid to the local government on spending in the three previous categories (Reich, 1). There can be other economic benefits from the construction of a new stadium, and the local job creation in or around the area. In estimating these benefits, two important qualifications must be taken into consideration. First, only the portion of the spending which stays in the local economy can be counted on as providing a local benefit. Second, the spending generated by the construction of a new stadium or arena can only be considered a local benefit to

the local economy if the spending would not have taken place in the absence of the team or new facility (Reich, 1).

The cost of stadium construction has grown significantly over the past century to the point where many cities can no longer reasonably afford to devote the necessary public funds to satisfy the need and the appetite for sports stadiums. Construction spending for professional sports stadiums in the United States totaled over \$6 billion in the 1990s, up from \$500 million in the 1960s, and \$1.5 billion in the 1970s and another \$1.5 billion in the 1980s (Reich, 1). The cost of stadiums is on the rise and there is no telling where it will stop.

The reason the stadiums are built is because of money, and the thought that these monster structures will produce money. Teams are valued by their ability to generate net revenues. This is done through ticket sales, concessions, sale of broadcasting rights (television, radio, and the internet), and the sale of merchandise. So inevitably, some teams generate more money than others. For example, the New York Yankees generate the most money out of all 31 MLB teams.

Some independent analysts say that there is no economic and employment impacts from sports stadiums. "An analysis by Robert Baker of Lake Forest College studied thirty cities over thirty years and found that twenty-seven experienced no significant impacts from stadiums, while only three experienced a negative economic impact (Reich, 2001). The factors of this study included the opportunity cost, the

economic theory that the true cost of using a resource is the value of the next highest value alternative use of that resource. The alternative to investing in a stadium or sports franchise includes new parks, industrial facility, or schools, for example. The study factored in the shifting of current spending, for example, that sports construction generates a shift in discretionary entertainment spending from one form (movies, zoo, plays, etc..) to another (sports). Basically, this is stating that people have budgets that they devote to spending on entertainment, and that sports construction does not expand that budget, rather, it forces individuals to choose where they want to spend their money, called the substitution effect. Therefore, this does not produce more money because money is spent on another form of entertainment in the same city. So while revenues in some businesses go up, in other businesses revenues go down, but the net does not change.

A stadium could generate “new money” for a city and a metropolitan area if it attracts a significant percent of fans from outside the immediate area around or near the stadium. This is only done if sports are a significant export industry. For example, like Camden Yards, because a third of the crowd at every game comes from outside the Baltimore area (Noll & Zimbalist, 1997).

Job creation and the multiplier effect are the last two factors taken into consideration in this study. Proponents state that thousands of new jobs will be created because of stadiums, but in reality sports tend to produce low-skilled, low-paid, employment, such as food and souvenir vendors, security personnel, and hotel and

restaurant employees. If a city encourages a movement toward this kind of employment by subsidizing sports, the city will find its economic development lagging behind development in the rest of the region. Job creation by stadiums and arena construction do not generate significant tax revenues for a city. Taxes generated by the operation of a factory or a similar industry would likely be greater than that of a stadium or arena, and therefore more valuable to a city from a revenue standpoint.

The multiplier effect is an economic theory that holds that economic growth occurs when a community's resources become more productive (Reich, 4). In the case of sports and sports stadiums, the people, capital investments, and natural resources in a city must increase their value at a greater rate than the general rate at which the rest of the assets in a community grow. Proponents' state that when money is spent and then re-spent in the community, that all new spending related to stadium construction has a multiplier effect. The economic effects tourism can have on a city can also be explained through this theory. For example, tourists will spend money during their visits on such things as gas, food, lodging, purchases, and recreation. The city receives added dollars in the form of wages, salaries, profits, and taxes. In turn, employees and workers use these wages and profits to purchase similar goods and services within the city. Thus, the tourist dollar gets reused over and over again (the multiplier effect) and allows for high economic stimulation. The only way a stadium is good for a city is if the stadium is the most productive way to make capital investments and use its workers (Noll & Zimbalist, 1997).

When calculating whether or not a professional sports franchise of sports stadium has a positive economic impact on local economy, many factors must be taken into consideration, but some would say, that Reich, the man whose study is analyzed above, never took into consideration the factors of social impact, cultural impact, and the psychological well-being of local residents. With that in mind, there could be different results to the study if those factors were taken into account.

Despite all of the negative studies, stadium are still being built, the cost of these stadiums are rising, and there a lot more stadiums under construction. Now there have been extensive public subsidies on these stadiums. Subsidizing is a fairly new development in the U.S., because previously professional stadiums were mostly all private enterprises; the entrepreneurs brought the land, built the ballparks and arenas, and operated them. In the book, *Pay Dirt: The Business of Professional Sports Teams*, the authors explain that local governments began to invest heavily in stadiums in the early 1960s. By 1989, annual subsidies were present in 25% of professional sports stadiums in the nation. The level of subsidy ranged widely, from an annual subsidy of \$189,000 for Lambeau Field in Green Bay to \$20.1 million for Houston's Astrodome and \$42.2 million for the Superdome in New Orleans (Fort & Quirk, 1992). Now in the year 2005, professional sports stadium subsidies are well over \$100 million.

These subsidies are approved by politicians because they fear that if they do not they will be missing out on the opportunity to have a major league team in their city. In order to do this, the four major league sports keep the demand of teams below that of the

supply, causing cities fight for teams. City leaders do not want to be faced with the loss of a professional sports team because of the possible economic benefits and, more so, the loss of the “big league city” reputation.

There are many opponents that feel that public subsidies lead to increased taxes, and public subsidy money ultimately goes back into the pockets of the owners, not back into the community, crediting the rising value of the franchise after the team occupies a new facility. Opponents also argue that public funding takes vital funding away from local priorities.

Joseph L. Bast, author of the Heartland Institute, *Sports Stadium Madness*, states:

That subsidies on stadiums should be discouraged for five main reasons; first, stadium subsidies divert funding from more important public services, such as crime prevention, road building, and schools. Second, it is unfair to the taxpayers. Third it is unfair to other business; no other industry is given access to public funds as readily as professional sports teams, yet other businesses must compete with professional sports for labor, materials, and customers. The result is higher prices for needed inputs, and the need to spend more on advertising to attract the attention of customers. Fourth, there is income inequality, by fueling a bidding war among team owners for elite athletes; taxpayer subsidies to professional sports have made the salaries of professional athletes much higher than they would be in a competitive unsubsidized environment. Such enormous salaries

lead to envy by adults and unrealistic career goals and expectations for young people. Fifth, they are a dead-weight loss to society; no social value is produced when facilities that are still functional are torn down because they are “economically obsolete.” Expensive investments in infrastructure are similarly being abandoned, only to be built anew across town or in some other city. This is make-work: no different in principle from digging and refilling ditches (Bast, 1998).

The debate continues and will go on for some time, but one thing will remain constant cities and teams will continue to want new places to play and public subsidies will be used. Experts say that there is no evidence to suggest that teams and stadiums effect employment, tax revenues, and regional income, but teams do affect how people perceive a city and that is very important, so one can expect that new ballparks and arenas will continue to be built.

Chapter 3

Professional sports expanding every year, whether expanding refers to more media coverage, more networks dedicated strictly to sports, more advertising dollars being spent on sponsorship of teams, more fans following teams, more viewership, more scrutiny, or even United States Governmental regulations attempting to change the rules of professional sports through laws. Industry growth means more exposure, and more exposure equals more money for both the teams and the leagues. Now in the year 2005, professional sports teams and new arenas and stadiums are being used as devices for economic stimulation and urban revivals. However, whether teams and stadiums revive cities or effect the psychological well-being of city residents remains to be seen, but teams and stadium continue to emerge everywhere throughout the United States and parts of Canada. Inevitably, teams must mean something to a city, whether it is economically or strictly for the attractiveness of a city. Teams and stadiums are expensive, but they remain businesses and must be treated as businesses. Teams and stadiums cost massive amounts of money, so a great deal of thought and a large amount of research are required in order to utilize these businesses in the best possible way. Teams and stadiums must be in the proper location to maximize revenues and maximize their potential economic impact on the local economy. It seems that today every major market is home to at least one professional sports franchise, and in many cases, large market cities have three or more professional sports franchises. For example, Los Angeles has six professional teams and lost two professional football teams in the early 1990s, the New York area has nine professional teams, Philadelphia and Chicago have four, and even Pittsburgh, a

smaller city, has three. Cities that are experiencing an “economic boom” with much growth and development, in terms of new businesses and are population, are likely candidates for teams, for example Charlotte, Memphis, and even Houston. With that being said, when studying “do professional sports franchises and stadiums positively impact the local economy,” a variety of researching techniques must be used to answer this question accurately.

The research for this report will be both qualitative and quantitative in order to cover so all aspects of the debate. The elements that comprise the mixed method are surveys, interviews, a case study, and literature review. Using all four of these techniques will provide the author with the necessary information to complete this study.

The literature review used in this thesis will give facts and an all-around knowledge on the subject matter; much research was previously done by experts in the field and these experts have conducted a large amount of research to try to answer this question. Many experts felt that professional sports franchises and new ballparks and arenas have little, if any, positive economic benefits on cities’ local economies, but professional sports franchises offer a city non-pecuniary benefits that really can not be measured. Sports can provide a city with a sense of pride and esteem that could never be measured in a dollar amount. The interviews, surveys, and the case study will provide information either supporting what previous studies calculated or will generate new information on why professional sports franchises and stadiums are a positive asset to local economies in economic terms.

The surveys along with interviews, field work, and case study will be conducted on this topic to get an in-depth look at what teams and stadiums actually mean to cities; the City of Pittsburgh and the metro area will be the focus of the case study for this project. Interviews will help give the author and researcher an understanding of how businesses, residents, and government officials feel about this topic. Surveys will also play a major role in the research; there will be two different types of surveys distributed, one distributed to local businesses and a second to residents. The reasoning behind the use of two different surveys is an attempt to find out how businesses are affected by the professional sports franchises and stadiums in Pittsburgh, and how the residents are affected by the teams and stadiums. The goal is to find out if there is any correlation between professional sports and businesses, and/or between professional sports and the resident's way of life.

A case study will be conducted on the City of Pittsburgh, and the surveys and interviews will strictly focus on Pittsburgh for this thesis. The City of Pittsburgh was chosen because it is a blue collar city that takes sports very seriously. The author grew up in this city and was immersed in the culture of Pittsburgh, which is influenced heavily by sports. Pittsburgh prides itself on sports and still claims to be the city of champions because of the success its professional sports teams had in the 1970s and early 1990s. The city is still waiting for its fifth Super Bowl Championship and every year there is talk of getting the "one for the thumb." Pittsburgh is very unique in the fact that it is still an Eastern city, but it is isolated in its geographical location, meaning that it is distant from

the eastern seaboard. Pittsburgh is a candidate for analysis due to both its location, its love of sports, and because it is going through a transition process as the recent beneficiary of two new stadiums, Heinz Field for the Steelers, and PNC Park for the Pirates. There is also talk that the Penguins will receive a new arena in the next five to ten years. Considering these changes in Pittsburgh, it is a prime candidate for analyzing this question: do professional sports teams and sports stadiums have a positive impact on Pittsburgh's local economy? The surveys, interviews, and field work will give the author a better understanding of this topic, as well as give the author evidence either proving or disproving his hypothesis.

One survey will be distributed to residents of the city of Pittsburgh and the metro area of Pittsburgh, and the second one will be distributed to businesses in Pittsburgh and in the metro area. The target businesses will be in a ten mile radius of PNC Park and Heinz Field. The businesses that will be targeted will be restaurants, taverns, hotels, retail stores, beverage companies, and other businesses. The business survey results will hopefully help find out the value of professional sports to Pittsburgh's local businesses. The surveys for residents will hopefully help find out how professional sports affect the quality of life of the people of Pittsburgh. The interviews will probe and find out how businesses and business people feel about professional sports and in particular, how the Steelers, Pirates, and Penguins affect their business. This type of study will be unstructured. Interviews will be conducted with residents also, to get more of an idea of how people view sports. The interviews with residents will also find out if there are intangible and non-economic benefits to those who live in a "big league city." Along

with the surveys and the interviews, there will be historical data included on the history of sports in the city, and how sports are part of the culture of Pittsburgh.

The surveys, interviews, and field work will take place from December 2004 – March 2005. This will give the author ample time to analyze, collect, measure, and record the data and information from the findings. The survey target will be 50 to 100 or more residents of Pittsburgh, and 20 or more businesses. Interview will be done with businesses, residents, and government officials. These interviews and surveys will add to the debate, as well as give the author more of an understanding of this subject from different perspectives.

Coding will be used for recording this data:

R= Restaurant

T= Tavern

H= Hotel

S= Retail Store

C= Company

P= Resident

G= Government Official

For this thesis, the instruments of the interviews, surveys, and the case study will all be used to get a better understanding of the subject matter of professional sports and the impact sports have on the local economies of cities. The collected data will be categorized and then recorded and reported on. The targets will be business owners,

residents of the Greater Pittsburgh area, and a local government official. Once all of the information is collected, the information will be recorded and inserted in this thesis. The data will be studied and measured, and will give the author a better understating of how professional sports affect the city of Pittsburgh.

The author's hypothesis on this study of Pittsburgh is that sports play a vital role in the economy of Pittsburgh's local businesses. In particular, the Steelers are a major player in the economy of Pittsburgh, more so than the other two franchises. Much of that has to do with the major popularity of the NFL and the fact that throughout the season, there are ten to thirteen games (includes both pre-season and the possibility of playoff games). Both the Pirates and the Penguins also play a role in the economy of Pittsburgh; both are much storied franchises that have had much success throughout their history. These teams make the city come alive, give the city a face, help businesses economically, and give residents a sense of pride. Professional sports also play a major role in the quality of life of residents of Pittsburgh, and people feel that regardless of the cost of these teams in terms of dollars, the city needs them to survive. This data will add to the debate on this topic, and will give readers a better understanding of what sports mean to both residents and businesses.

Chapter 4

Description of the Survey

There were two surveys (see appendix: business/resident) that were conducted for this study. The first survey was targeted towards residents of the City of Pittsburgh and the surrounding communities. The survey was comprised of eleven questions, in an effort to obtain the thoughts and opinions of Pittsburghers on the impact of professional sports on Pittsburgh's economy. Additionally, the survey was designed to get opinions on how Pittsburgh professional sports franchises impact the quality of life of Pittsburghers. The second survey targeted businesses of Pittsburgh, in an effort to gain opinions of the local business people. The business survey included eight questions, created with the intention of finding out if professional sports positively impact local businesses and analyzing how the two new sports facilities, PNC Park and Heinz Field, impacted local businesses in Pittsburgh.

In viewing the eleven questions asked in the resident survey, each question was targeted to find out how important Pittsburgh professional sports are to the residents of Pittsburgh, in terms of social impact, city image, the quality of life, or the psychological well-being of residents. The author's intention was to gather information from the survey results and analyze what role professional sports plays in the opinions of the residents of Pittsburgh. In viewing the eight questions asked in the business survey, each question was designed to ascertain how Pittsburgh professional sports and PNC Park and Heinz Field affect local businesses.

Sample

The goals of these two surveys were to interview 90 residents of the City of Pittsburgh and 30 businesses in Pittsburgh. The selected sample was chosen at random based on residency in Pittsburgh, and each business was chosen based on their proximity to downtown Pittsburgh and the stadiums on the North Shore of Pittsburgh.

Purpose of the Study

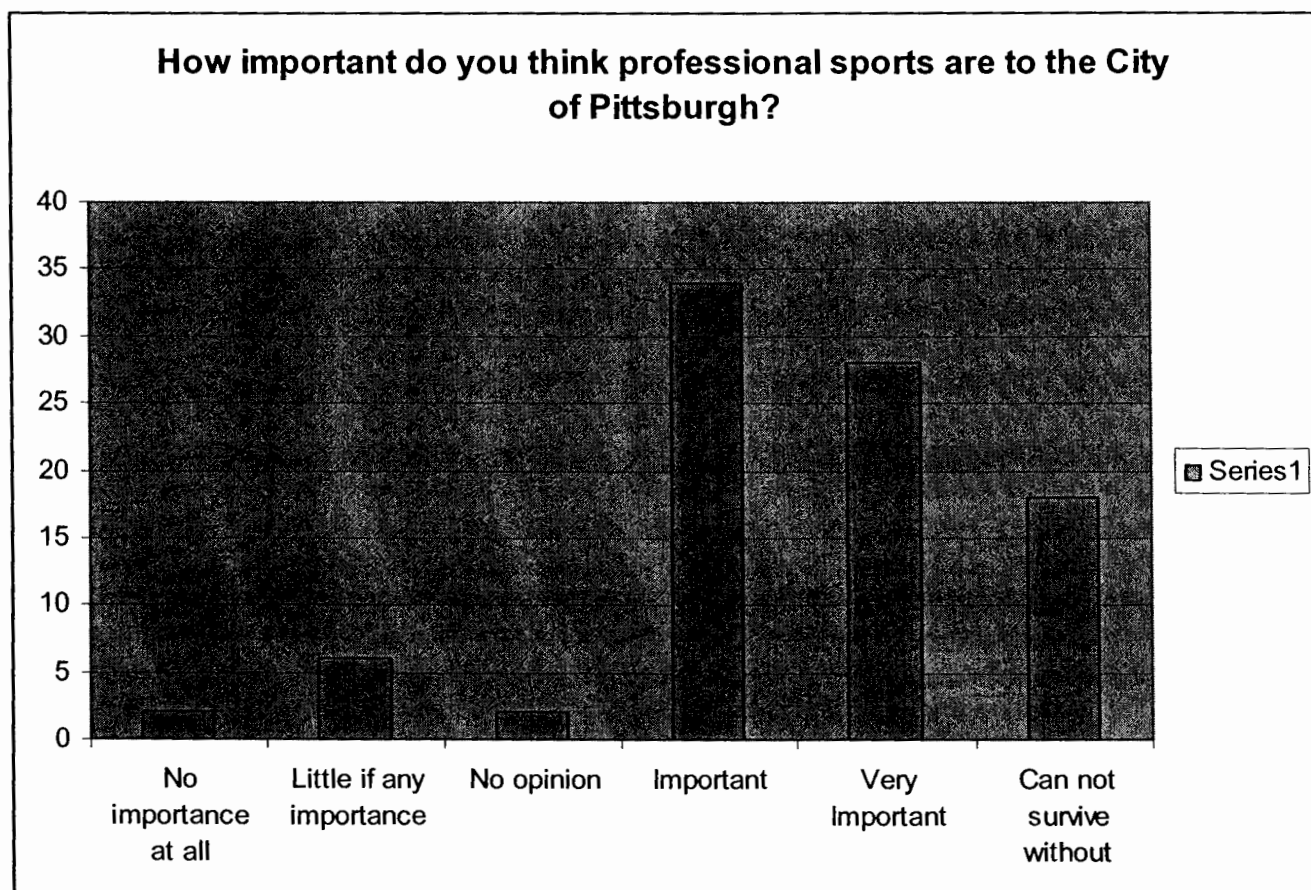
The intent of developing this survey was to assess how Pittsburgh professional sports impact the residents of Pittsburgh, the local economy of Pittsburgh, and how PNC Park and Heinz Field impacted the local economy. In reviewing the literature on this subject, there can be a case made that professional sports positively impact the local economy. There is also an argument stating that professional sports should not be used as a means to stimulate local economic growth. The survey was intended to investigate the viewpoints that were uncovered from researching the literature. The experience of developing and administering these surveys gave the author the freedom to expand the research on this subject, as well as giving individuals from both a resident's and a business' point of view a voice on this subject matter.

Analyzing the Results of the Study

In the course of the research, the author was able to obtain 90 individuals' responses to the resident survey and 30 individuals' responses to the business survey. The individuals responded in a variety of ways: via email, over the phone, or by way of personal interview. After collecting each of the responses, the author tallied and graphed the responses for each statement. The results themselves were then tabulated, graphed, and examined. One aspect that the author would like to point out is that the majority of the surveys were collected during the Steelers football season, which was a great success with a regular season record of 15-1. Potentially, the success of the Steelers may have affected the results of the survey, although this is very difficult to determine.

Residents Survey**Statement 1**

How important do you think professional sports are to the city of Pittsburgh?



No importance at all 2%

Little, if any, importance 6%

No opinion 2%

Important 38%

Very Important 31%

Can not survive without 20%

When asked if professional sports are important to the City of Pittsburgh, two percent felt that there was no importance at all. Six percent felt that there was little, if any, importance, when asked if professional sports are important to the City of Pittsburgh. Two percent had no opinion. Thirty-eight percent felt that sports are important. Thirty-one percent felt that sports are very important. Twenty percent felt that the city could not survive without sports.

Eighty-nine percent of the respondents felt that Pittsburgh professional sports are important in some way to the city of Pittsburgh. This may mean that Pittsburgh professional sports impact the quality of life of Pittsburghers in a positive way. Twenty percent of respondents felt that he/she could not survive without professional sports; this means that professional sports mean a great deal to some Pittsburghers. Professional sports are very important to some residents of Pittsburgh; one resident who filled out a survey was quoted as saying, "Pittsburgh and sports go hand in hand. This is a city built on the tradition of the sports teams; "city of champions" is our nickname because of our teams. We are the black and gold city because all three of our teams wear the black and gold, no other city can say that. We are the only city where every professional team wears the same colors." (McDonough Resident Survey, January 2005). The majority of residents feel the same way; professional sports and the City of Pittsburgh go together and the residents are proud that these teams call Pittsburgh home. One respondent of this survey was Luke Ravenstahl, a Pittsburgh city councilman from District One, and his voice in this matter should be taken very seriously. He was quoted as saying:

“As far as my opinion of the effect on local government, I think our sports teams help our region and city tremendously. The government directly benefits from the City’s amusement tax. The amusement tax in the city is 5%. We collect that on each ticket sold for any event in the City, whether it is a sporting event, a play, or a concert, etc. Obviously when the teams are doing well more tickets are being sold the more revenue we generate. For example, the City will benefit greatly from the 2006 Baseball All-Star game. In addition to the amusement tax dollars, we are also fortunate enough, when the teams are doing well, to make revenue on all accessories sold. It is tougher for us to gauge the actual dollar amounts, but they are undoubtedly significant.

Professional sports would not have survived in Pittsburgh without the addition of PNC Park and Heinz Field. That being said, the public rejected through a vote the public financing of these facilities. It was eventually completed in another way, and to this day many in the general public resent the mayor’s decision to fund the stadiums because they feel they should have been listened to in their vote.

Politically, the construction of the two stadiums remains a touchy subject for many Pittsburghers despite the general success and beauty of the facilities. The resentment stems from the frustration of the high salaries of the players and owners. The general public insists that they (owners and players) should be the group who pays for most of the bill.

My personal opinion is that most would be a little more receptive if they could

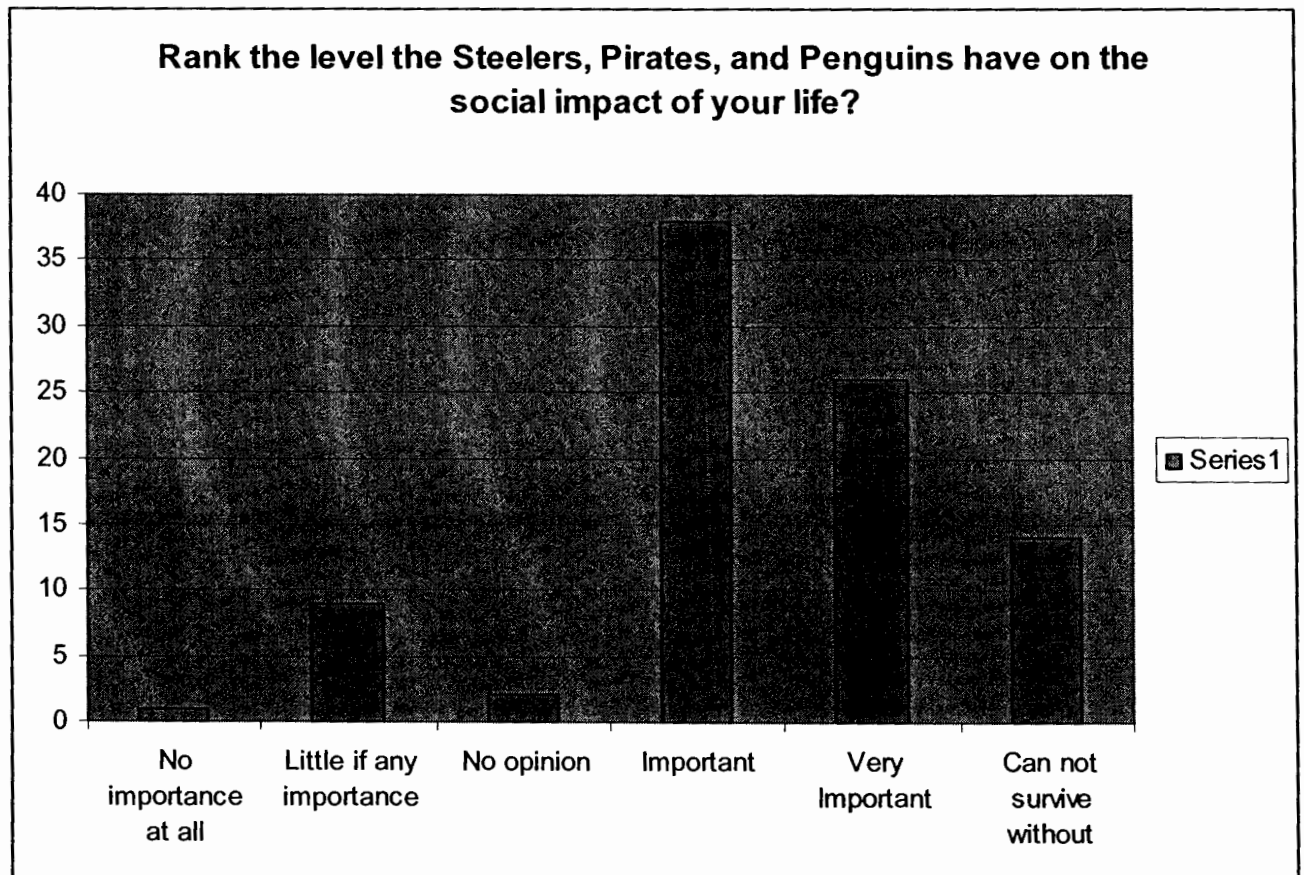
experience the loss of one or all of our teams. In other words, they are against giving money to the teams but if they would realize the void of not having these teams, I think their opinions would change. Nevertheless, it will remain a subject up for debate in the local political discussion. I am pleased at what the facilities have generated for the City and I think they will more than pay for themselves throughout the years. Pittsburgh could not survive without the Steelers, Pirates, and Penguins.” (McDonough Resident Survey, February 2005).

Professional sports are very important to the city and mean a lot to the resident, but also mean a lot to the local government.

Statement 2

Rank the level of impact the Steelers, Pirates, or Penguins have on your social life?

(Whether it is barbeques or social gatherings with family or friends, going to games, or simply just enjoying the games)



No importance at all 1%

Little, if any, importance 10%

No opinion 2%

Important 42%

Very Important 29%

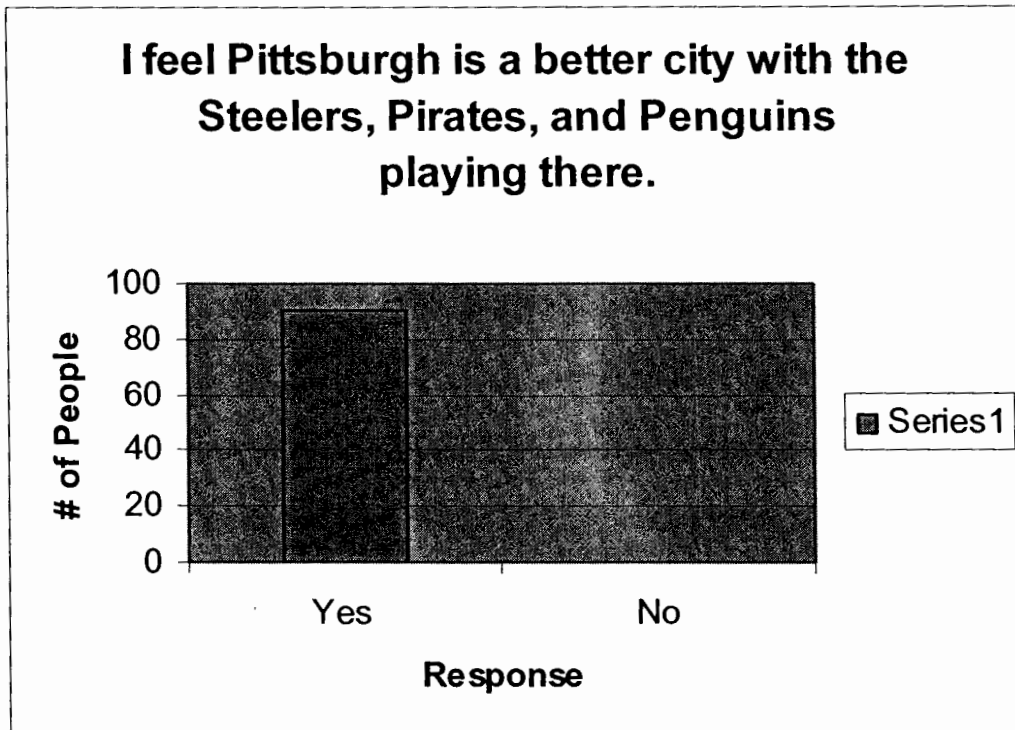
Can not survive without 16%

In evaluating this statement, one percent of the respondents felt that the Steelers, Pirates, or Penguins had no social impact on their lives. Ten percent felt that there was little, if any, importance in their lives. Two percent had no opinion when asked this question. Forty-two percent felt that the Steelers, Pirates, and/or Penguins are important to their lives. Twenty-nine percent felt these teams are very important to their lives. Sixteen percent felt that they could not survive without professional sports in Pittsburgh.

Since 87 percent of all respondents felt that the Steelers, Pirates, and/or Penguins are important to the social impact of their lives, this may mean that the overwhelming majority of Pittsburghers feel that professional sports have an impact on the social lives of Pittsburghers. Therefore, the professional sports teams of Pittsburgh have a positive impact on the quality of life in Pittsburgh. One resident was quoted as saying, "The Steelers are the heart and soul of the city of Pittsburgh! This city bleeds black and gold." (McDonough Resident Survey, January 2005). Many Pittsburghers feel that the teams of Pittsburgh impact their lives; residents live through the successes and failures of these teams. Pittsburghers experience tremendous joy when teams are playing well and feel a great loss when teams lose; therefore inevitably, these teams impact the social aspects of Pittsburghers' lives.

Statement 3

I feel that Pittsburgh is a better city with the Steelers, Pirates, and Penguins playing there.



Yes 100%

No 0%

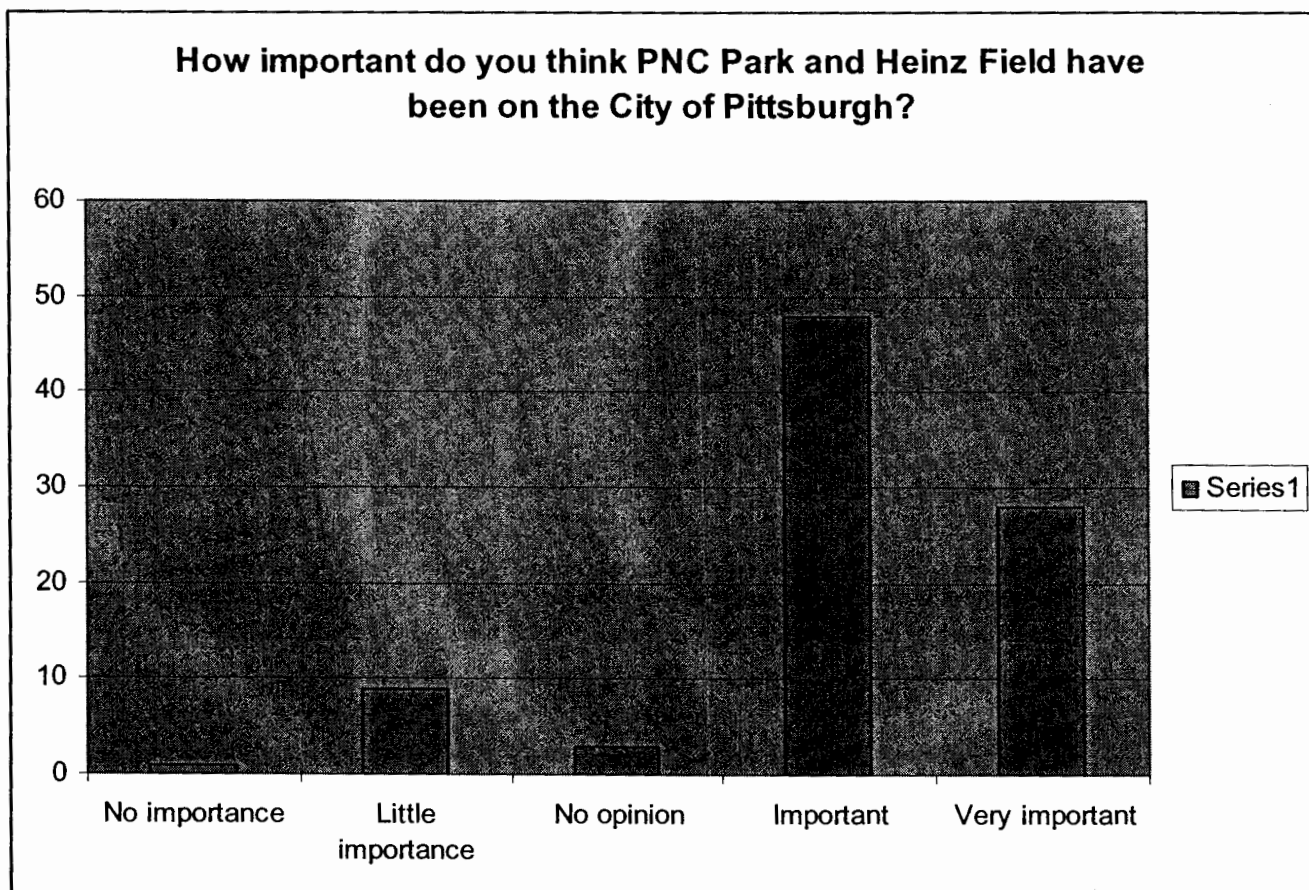
When analyzing the responses from this statement, 100 percent felt that Pittsburgh is a better city with the Steelers, Pirates, and Penguins playing there. No one felt that Pittsburgh is better without professional sports in the city.

Since 100 percent of the respondents agreed that Pittsburgh is a better city because of professional sports, it is a fair statement to say that Pittsburgh is a better city with the Pirates, Penguins and Steelers. One resident was actually quoted as saying, "Pittsburgh is a better place with our teams playing here. The teams bring the city

together.” (McDonough Resident Survey, January 2005). These teams are more than just teams to Pittsburghers; these teams are an identity. Since 100 percent of the respondents felt that the City of Pittsburgh is a better place with the Pirates, Steelers, and Penguins playing there, this may mean that these teams do impact the quality of life in Pittsburgh in a positive way. It may also mean that Pittsburghers feel that the identity of Pittsburgh has a great deal to do with the fact that these professional sports franchises call Pittsburgh home.

Statement 4

How important do you think PNC Park and Heinz Field have been to the city of Pittsburgh?



No importance 1%

Little importance 10%

No opinion 4%

Important 54%

Very Important 31%

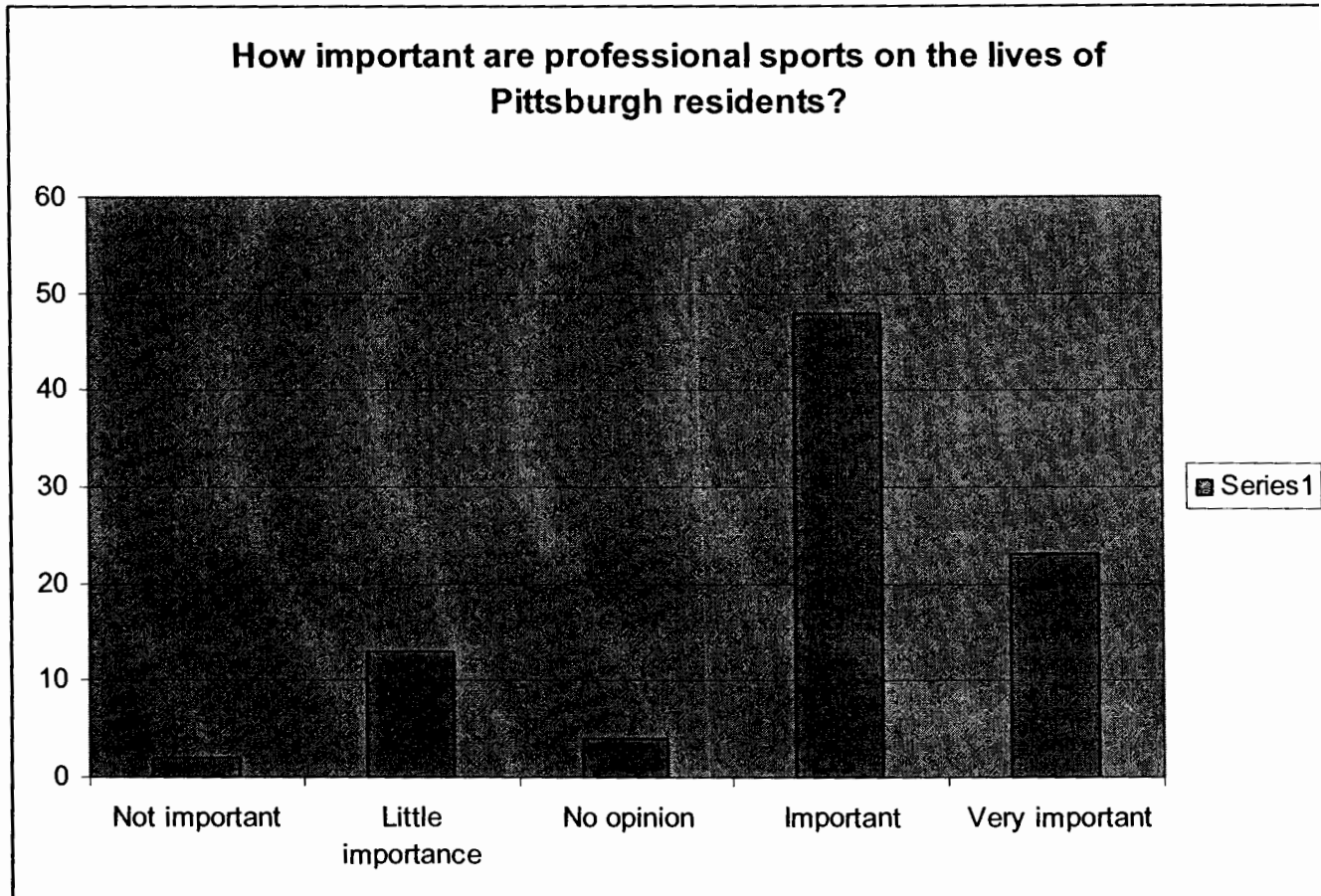
The results for this question are as follows: one percent felt that PNC Park and Heinz Field have had no importance to the city of Pittsburgh, ten percent felt that PNC Park and Heinz Field have had little importance, four percent had no opinion on this question, 54 percent of the individuals questioned feel that the stadiums are important additions, and 31 percent feel that they are very important.

Eighty-five percent of the individuals surveyed feel that the new stadiums are either important or very important to the City of Pittsburgh; this may mean that the two new stadiums are actually very positive additions to the city despite the enormous cost of these structures. In addition, it also may mean that Pittsburghers are very pleased that the city built these stadiums, even if the city made the tax payers finance most of the costs. The overwhelming majority of Pittsburghers are very pleased with what these stadiums have done for the city. Pittsburgh was awarded the MLB 2006 All-Star Game because of the addition of PNC Park, making residents very happy. One resident was quoted as saying, "I love the stadiums downtown, these stadiums have been such a great addition to our city." (McDonough Resident Survey, January 2005). Another was quoted as saying, "We (Pittsburgh) got the All-Star game because of PNC Park, and this will be our chance to show the world we have the nicest ballpark in the World." (McDonough Resident Survey, February 2005). If Pittsburgh did not build these stadiums, there was a chance that both the Pirates and the Steelers would have relocated. These stadiums helped secure these two franchises. Pittsburghers take great pride in their city, great pride in their teams, and a great pride in their ballparks. Furthermore, the majority of

Pittsburghers are very pleased that the city built these stadiums because the stadiums have been important to the growth of Pittsburgh.

Statement 5

How important are professional sports in your life?



Not important 2%

Little importance 14%

No opinion 4%

Important 54%

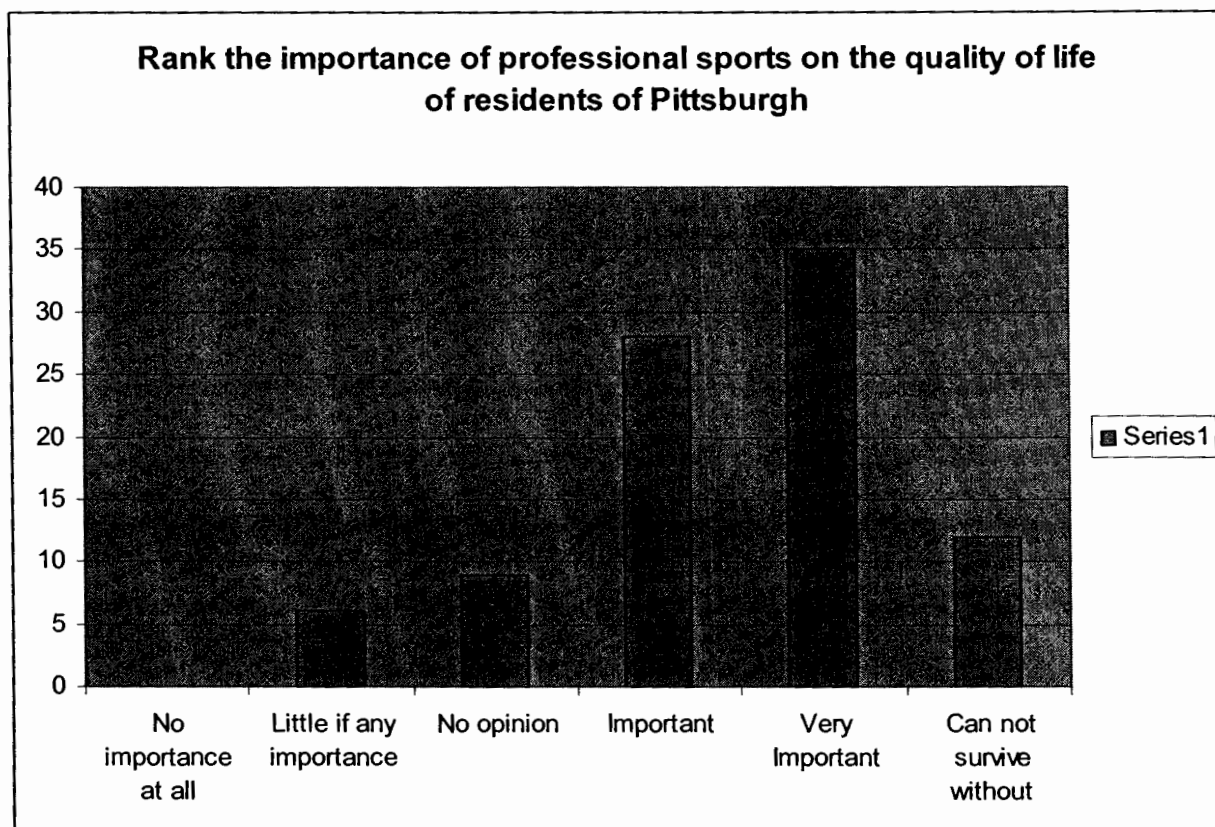
Very important 26%

In assessing this question, two percent feel that sports are not important to their lives. Fourteen percent feel that sports have little importance on their lives. Four percent have no opinion on this question. Fifty-four percent feel that professional sports are important to their lives, and 26 percent of the individuals' surveyed answered that professional sports are very important to their lives.

Eighty percent of the individuals' surveyed answered that professional sports are either important or very important to their lives; this may mean that the sports teams of Pittsburgh improve the quality of life of Pittsburghers. Pittsburghers live through their teams, especially during the football season. On any Sunday, a visitor to Pittsburgh would be amazed at how the streets are empty during a Steelers game; people are at the game or at home, watching it on television. One resident was quoted as saying, "Pittsburghers take great pride in our teams, and it is priceless to be the home of three great professional franchises." (McDonough Resident Survey, January 2005). Most Pittsburghers feel that it does not matter what the costs are in having professional sports, because it is priceless to be a city that houses professional sports.

Statement 6

Rank the importance of professional sports on the quality of life of residents of Pittsburgh.



No importance at all 0

Little, if any, importance 7%

No opinion 10%

Important 31%

Very important 39%

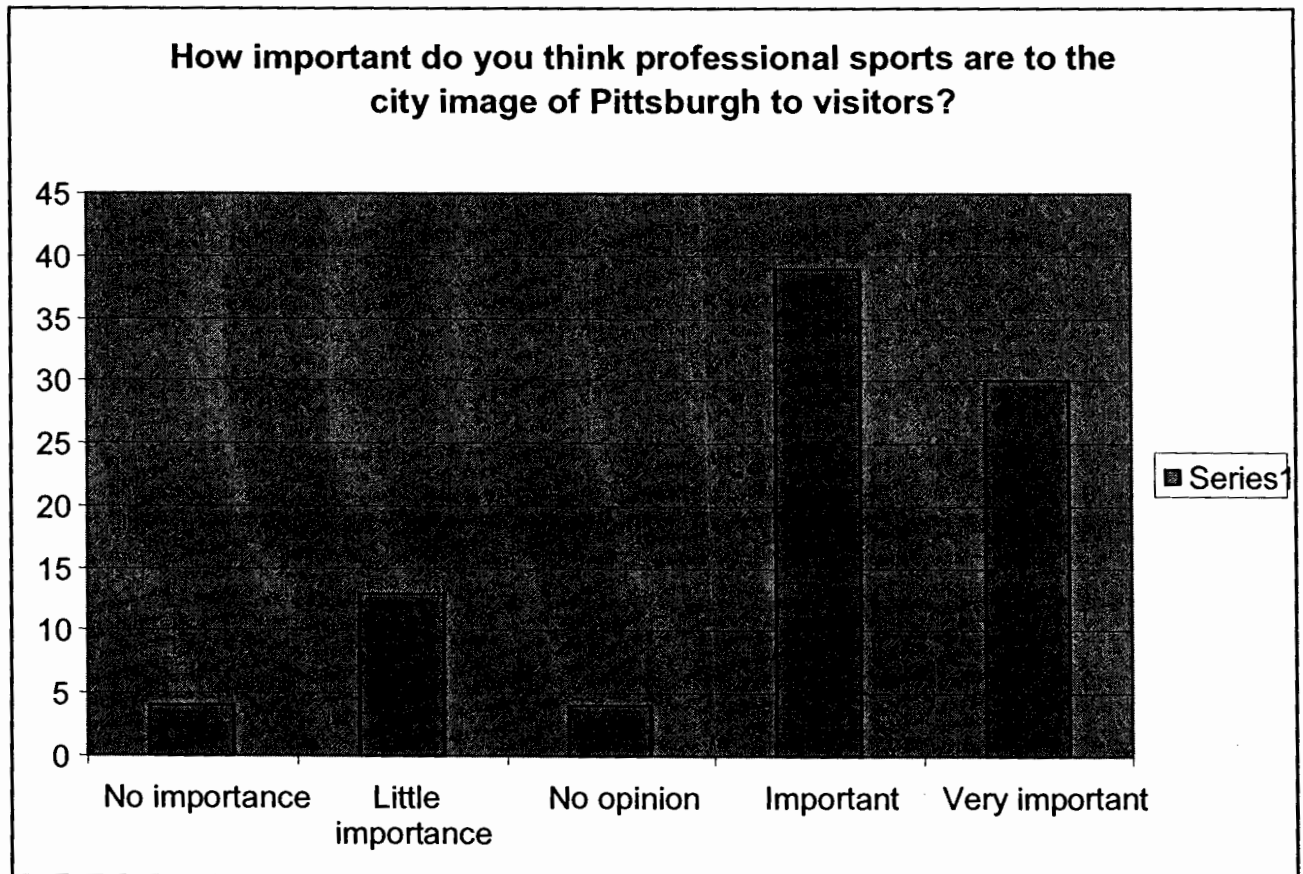
Can not survive without 13%

In reviewing the results for this statement, no one answered that professional sports have no importance at all on the quality of life of the residents of Pittsburgh. Seven percent answered that professional sports have little, if any, importance. Ten percent had no opinion on this question. Thirty-one percent answered “important,” and 39 percent answered “very important.” Thirteen percent answered “can not survive without” when asked to rank the importance of professional sports on the quality of life of Pittsburghers.

Since the overwhelming majority, 83 percent, of the respondents answered that professional sports are important, very important, or “can not survive without,” this may mean that Pittsburghers experience a better quality of life because of professional sports played in Pittsburgh. It may also mean that Pittsburghers experience a sense of pride and esteem as a result of being associated with these professional sports franchises. It is very likely that Pittsburghers do experience added bonuses because professional sports are played in the city. One resident was quoted as saying, “Pittsburgh is a better place with our teams playing here. The teams bring the city together.” (McDonough Resident Survey, January 2005). For example, it unites people, gives people something to rally around; basically it brings a large city together and transforms the city into a small town, in a way, because everyone is pulling and rooting for the home team. One resident was quoted as saying, “Professional sports are the lifeblood of the city of Pittsburgh; it gives Pittsburghers a feeling of esteem and pride being home to three professional teams. The value of being a major league city is priceless.” (McDonough Resident Survey, January 2005). Pittsburghers take pride in their teams, and these teams probably do improve the quality of life in Pittsburgh.

Statement 7

How important do you think that professional sports are to the city image of Pittsburgh to outsiders and visitors?



No importance 5%

Little importance 14%

No opinion 5%

Important 43%

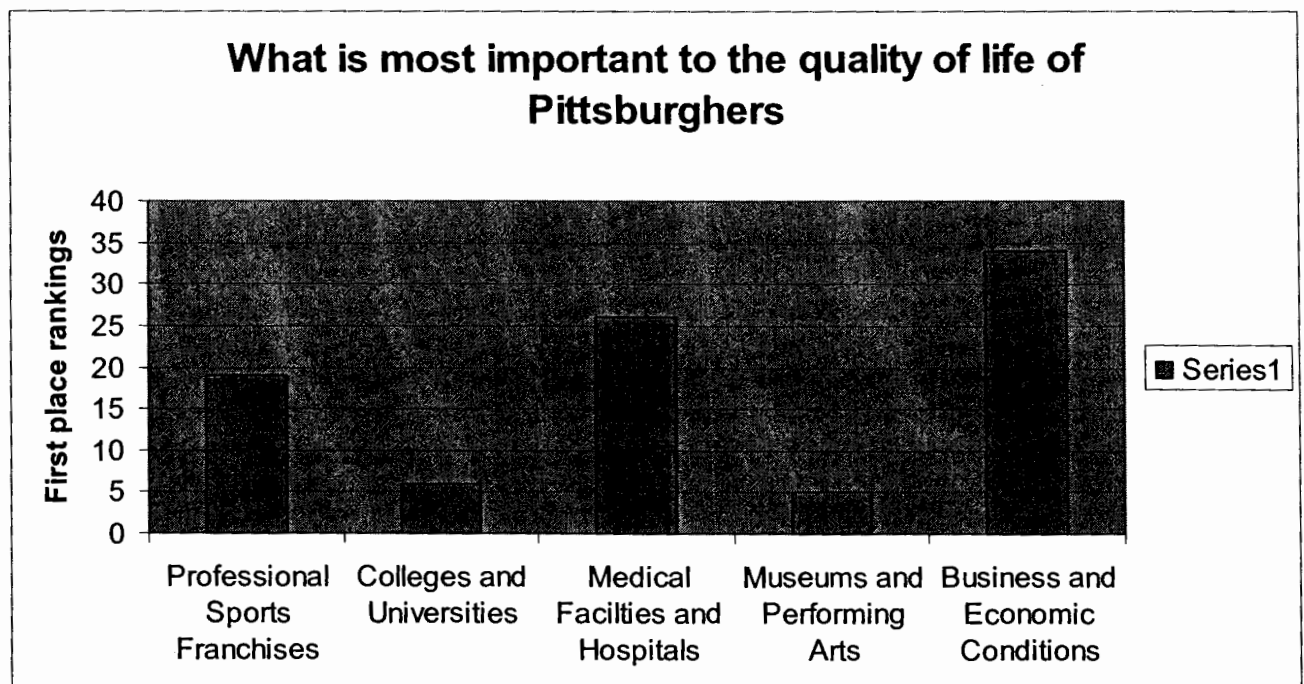
Very important 33%

The breakdown for responses for this statement went as follows: five percent answered “no importance” to the question, “How important do you think that professional sports are to the city image of Pittsburgh to outsiders and visitors?” Fourteen percent answered “little importance.” Five percent had no opinion on this question. Forty-three percent answered “important” and 33 percent answered “very important.”

In evaluating this question, the majority of the respondents, 76 percent, answered either “important” or “very important;” this may mean that Pittsburghers feel that their sports teams are important to the city image of Pittsburgh to visitors and outsiders. Pittsburgh still remains “the steel city,” even though little steel is still manufactured there; instead, the name remains because of the Steelers. The teams of Pittsburgh do play a role in the way people look at the city, and these teams do represent the people of Pittsburgh. One Pittsburgher was quoted as saying, “Pittsburgh has been known as the steel town for decades now and even though most of the steel factories do not exist anymore contributing to both everyday life and economical status, the sports teams here (in Pittsburgh) carry on the legacy of the tough image that a steel town exhibits. Therefore, Pittsburgh’s tradition of a steel town still lives on, but now it lives on through the sports teams that represent this city.” (McDonough Resident Survey, December 2005). Pittsburgh’s legacy of “the steel city” lives on through its teams, most notably the Steelers, giving Pittsburghers a sense of pride.

Statement 8

Please rank the following in order of your importance to the quality of life in Pittsburgh and the surrounding community (1 being the highest and 5 being the lowest). Results are first place rankings.



Professional sports franchises 21%

Colleges and Universities 7%

Medical facilities and hospitals 29%

Museums and Performing Arts 6%

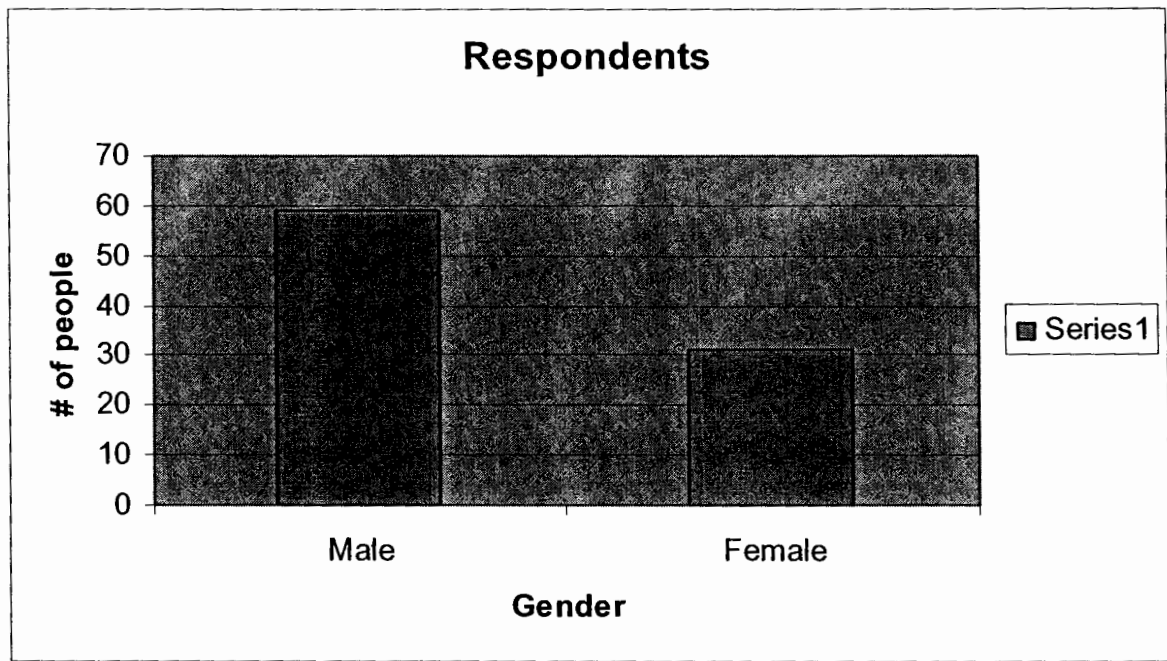
Business and Economic Conditions 37%

When breaking down the results for this statement, 21 percent answered that professional sports are most important to the quality of life of Pittsburghers. Seven percent answered “colleges and universities are most important.” Twenty-nine percent answered “medical facilities and hospitals are most important to the quality of life.” Six percent ranked museums and performing arts as the most important to the quality of life of Pittsburghers. Thirty-seven percent answered that business and economic conditions are most important the quality of life of Pittsburghers.

The majority of the respondents 37 percent answered that business and economic conditions are the aspect most important to the quality of life of Pittsburghers. Twenty-nine percent of respondents answered “medical facilities and hospitals are most important,” indicating that perhaps residents of Pittsburgh feel that the economic conditions and medical facilities of the area are the most valuable and are most important to the quality of life of Pittsburghers. Professional sports are very important to most Pittsburghers, but many feel that the business conditions of the city are more important. One respondent was quoted as saying, “Professional sports are important as a form of entertainment and recreation; however, in no circumstances should they have more importance than business and economic conditions, and/or medical facilities and hospitals.” (McDonough Resident Survey, January 2005). The results of this survey may mean that although sports are very important to Pittsburghers, business and economic conditions, as well as medical facilities, are more important to the quality of life, safety, and the ability of Pittsburghers to make a living.

Statement 9

What is your gender?



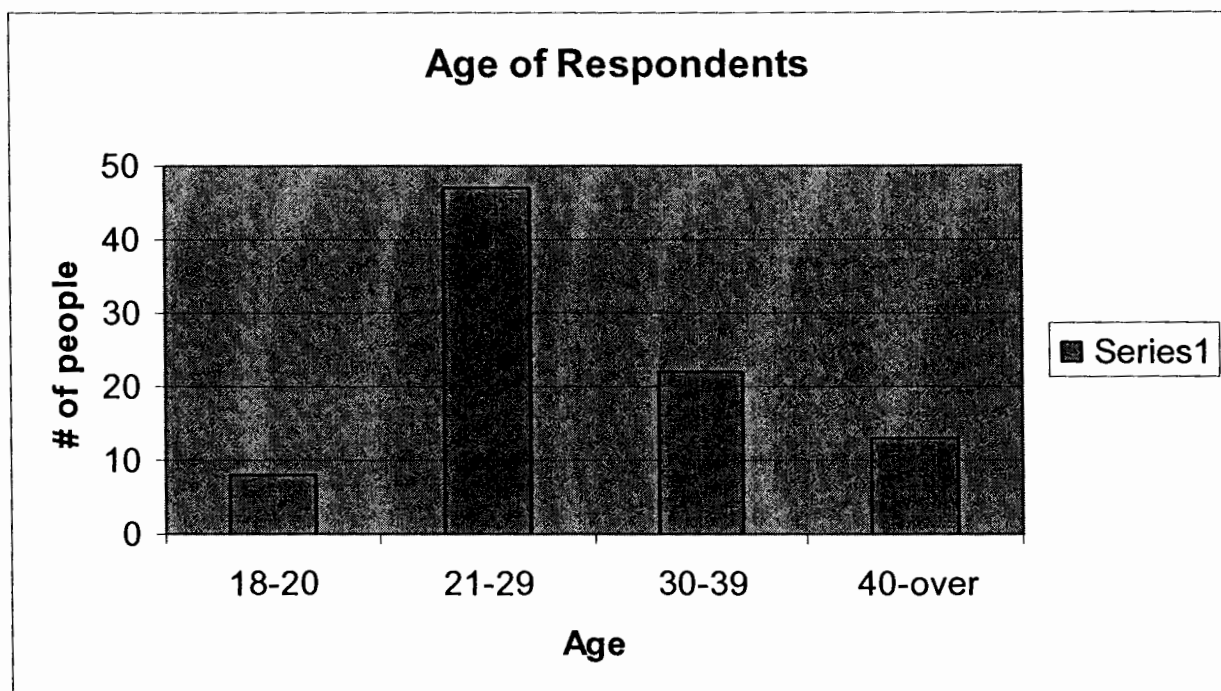
Male 66%

Female 34%

When categorizing those who took the survey, the author calculated that 66 percent of the respondents were males, while 34 percent of the respondents were female. Thus, the respondents were very balanced in the fact that there were both men's and women's opinions taken into account.

Statement 10

What is your age?



18-20: 9%

21-29: 52%

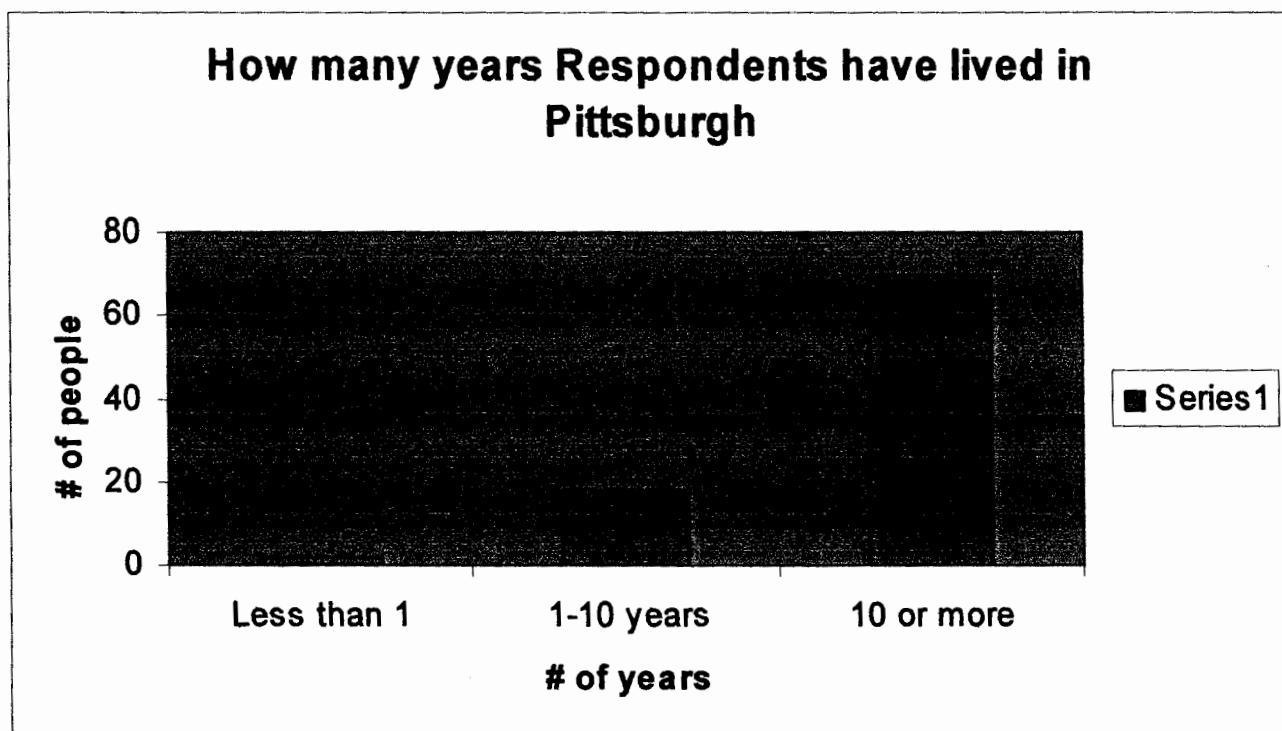
30-39: 25%

40-over: 14%

When breaking down the age of the respondents nine percent were between the ages of 18 and 20. Fifty-two percent were between ages 21 and 29. Twenty-five percent were between ages 30 and 39, while fourteen percent were over the age of 40.

Statement 11

How many years have you lived in Pittsburgh?



Less than 1 year: 2%

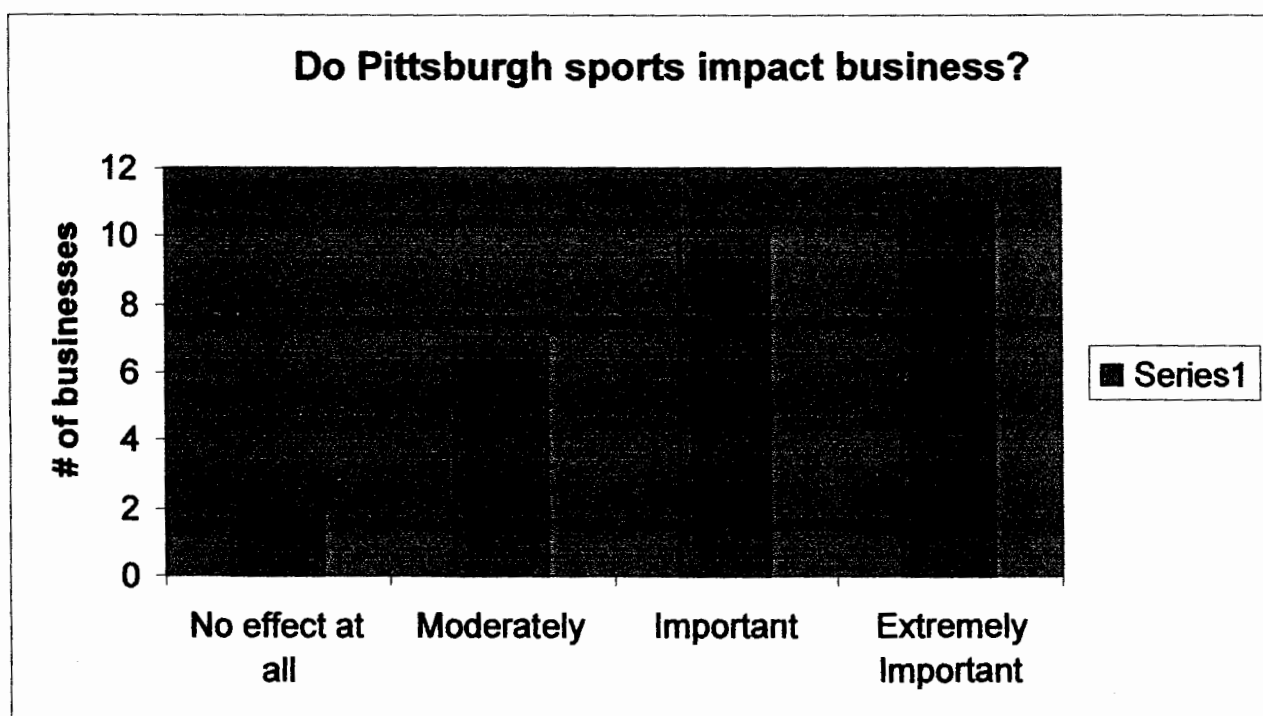
1-10 years: 20%

10 or more: 78%

When analyzing how many years the respondents have lived in Pittsburgh, two percent lived in Pittsburgh for less than a year. Twenty percent lived in Pittsburgh 1 to 10 years. Seventy-eight percent lived in Pittsburgh 10 or more years. Since 78 percent of the respondents have lived in Pittsburgh for over ten years, this may mean that the results of the survey are from residents who have been a part of the Pittsburgh culture for a long time.

Business Survey**Statement 1**

Do any of the three major professional sports teams in the city of Pittsburgh (Penguins, Pirates, and Steelers) have a positive affect on your business? (Example: increase in sales and revenue, more traffic flow, more customers, etc...)



No effect at all: 7%

Moderately: 23%

Important: 33%

Extremely Important: 37%

When asked the question of “Do any of the three major professional sports teams in the City of Pittsburgh have a positive affect on your business?” Seven percent of the businesses surveyed answered “no effect at all.” Twenty-three percent answered “moderately.” Thirty-three percent answered that Pittsburgh sports are important, while 37 percent of the respondents answered “extremely important.”

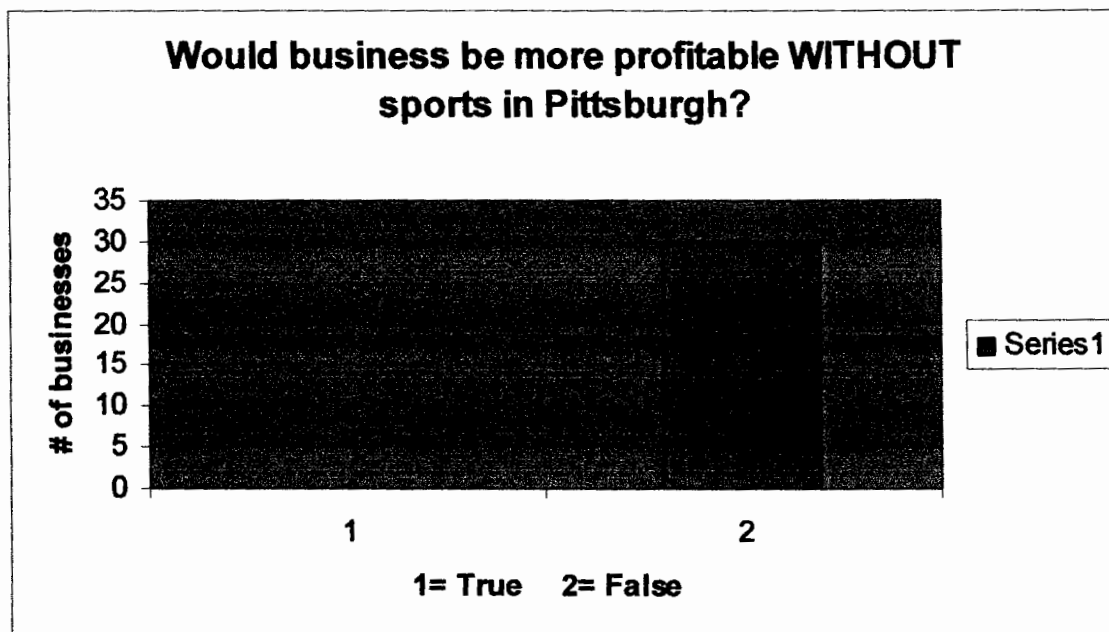
The majority of businesses 93 percent answered that Pittsburgh professional sports impact business in a positive way for the most part. These results may mean that Pittsburgh professional sports are positive for business and the local economy.

Professional sports do impact businesses in a positive way; one business was quoted as saying, “Professional sports are essential for our business, our team sport outlet is solely based on Pittsburgh sports teams and they (Pittsburgh sports teams) are very pertinent to our success.” (McDonough Business Survey, December 2004). Many other businesses feel the same way and experience success because of the teams of Pittsburgh.

Considering the respondents’ answers, professional sports franchises may function as tools for economic stimulus, and professional sports are essential to the success of some businesses.

Statement 2

My business would be more profitable **without** professional sports in the city of Pittsburgh.



True: 0

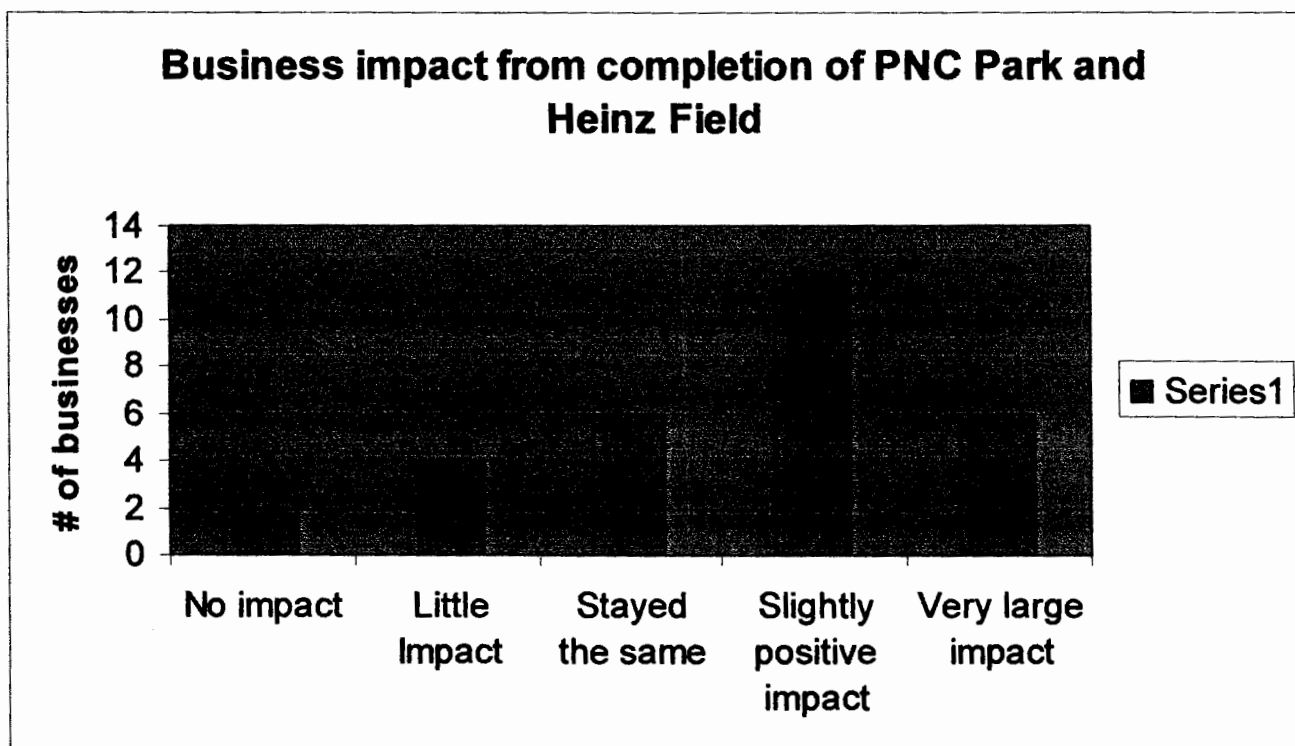
False: 100%

When analyzing the statement of “My business would be more profitable WITHOUT professional sports in the city of Pittsburgh,” zero respondents agreed with this statement while 100 percent answered “false” to this statement.

The results may indicate that Pittsburgh professional sports are not a detractor to business and that sports do not negatively affect Pittsburgh’s businesses. Despite many experts stating that professional sports have little, if any, economic impact, the businesses of Pittsburgh do not believe that they would be better off without professional sports.

Statement 3

Rank how your business was impacted since the completion of PNC Park and Heinz Field.



No impact: 7%

Little Impact: 13%

Stayed the same: 20%

Slightly positive impact: 40%

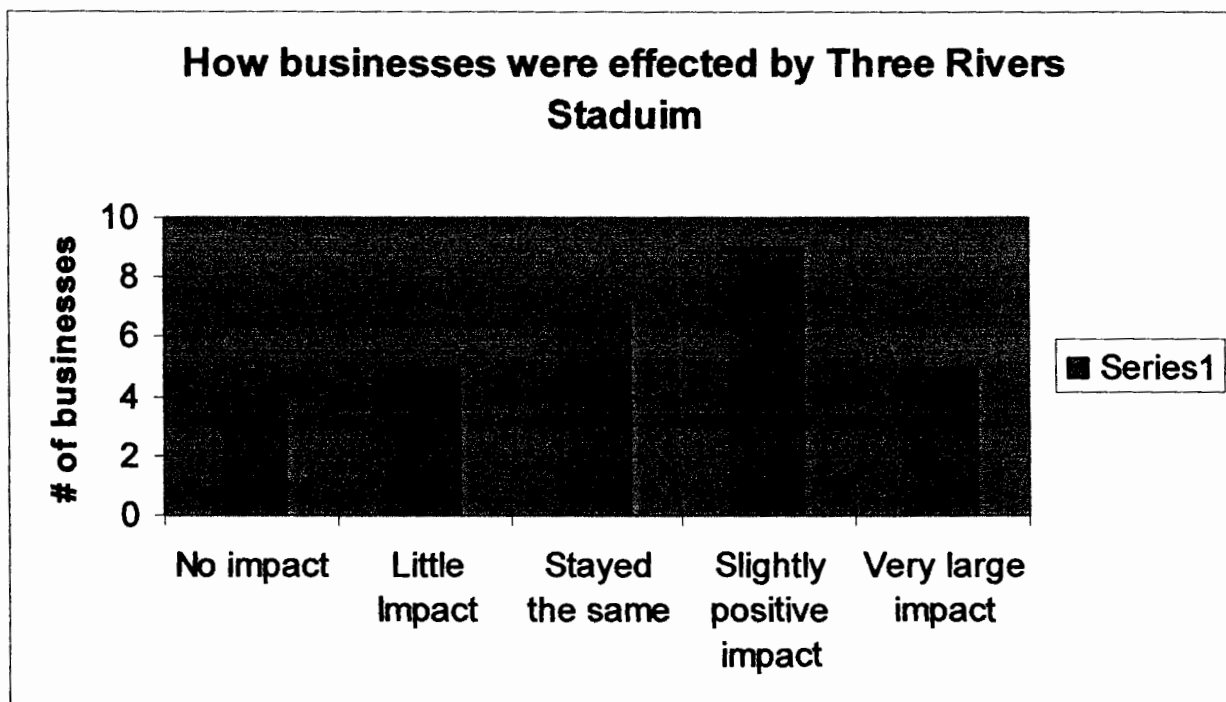
Very large impact: 20%

When analyzing the statement, "Rank how your business was impacted since the completion of PNC Park and Heinz Field," seven percent said it had no impact. Thirteen percent answered that it had little, if any, impact. Twenty percent answered that his/her business stayed the same. Forty percent said that PNC Park and Heinz Field had a slightly positive impact. Twenty percent said it had a very large impact on business.

In evaluating this question, the majority of the respondents (40 percent) said business was slightly improved since the completion of PNC Park and Heinz Field, and Twenty percent said it had a very large impact. These results may mean that these two new stadiums have had a positive impact on businesses and have been a good addition to the city. The stadiums have been a major asset to the North Shore of Pittsburgh and many spin off developments have taken place because of the stadiums, such as new taverns and bars, restaurant, vendors, or even hotels. One respondent was quoted as saying, "We need professional sports! The new ball parks have been great for business! On game days we are packed and after the games we are still packed." (McDonough Business Survey, December 2004). Another was quoted as saying, "PNC Park is the only reason we are in business." (McDonough Business Survey, January 2005). These stadiums have been a significant part of the transformation of the North Shore, and in some cases, have helped businesses to a great extent. This may also mean that the majority of Pittsburgh businesses feel that even though the stadiums were publicly financed, Pittsburgh and businesses are better off with these stadiums and professional sports.

Statement 4

Rank the impact that Three Rivers Stadium had on your business.



No impact: 13%

Little impact: 17%

Stayed the same: 23%

Slightly positive impact: 30%

Very large impact: 17%

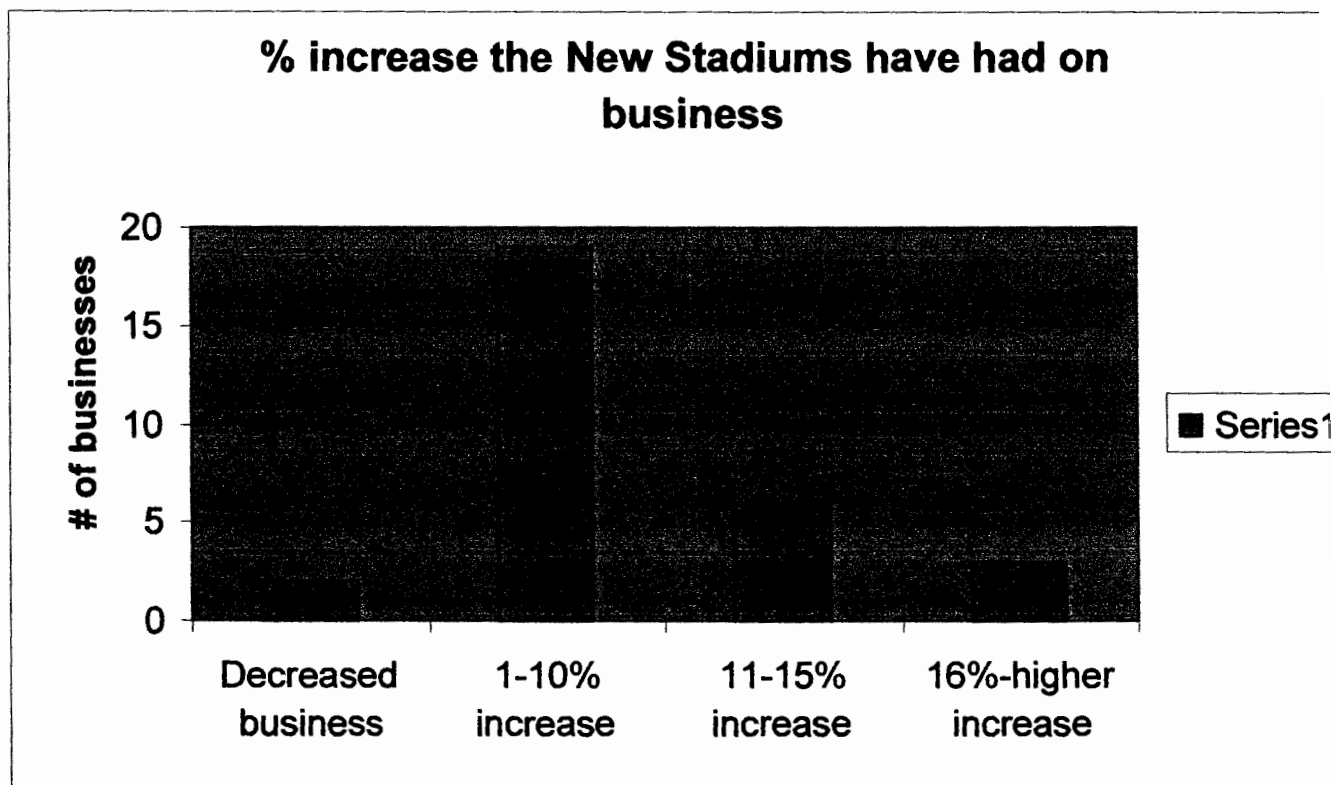
When responding to the statement, "Rank the impact that Three Rivers Stadium had on your business," thirteen percent answered "no impact." Seventeen percent answered "little, if any, impact." Twenty-three percent said business stayed the same.

Thirty percent answered that the impact on business was slightly positive. Seventeen percent answered that Three Rivers Stadium had a very large impact on business.

When evaluating the results of this statement, 47 percent of respondents answered that Three Rivers Stadium had a very large impact or a slightly positive impact on business. The other 53 percent of respondents answered that business was not impacted by Three Rivers Stadium. These findings may mean that Three Rivers Stadium impacted some businesses positively and had no impact on other. Also, this may mean that most businesses were steady throughout the life of Three Rivers Stadium. If that is the case, then majority of the same businesses surveyed have experienced increases in business since the completion of PNC Park and Heinz Field; therefore, inevitably these two new stadiums have been positive for businesses and positive additions to Pittsburgh's local economy.

Statement 5

State the percentage increase that the new stadiums have had on your business.



Decreased business: 7%

1-10% increase: 63%

11-15% increase: 20%

16%-higher: 10%

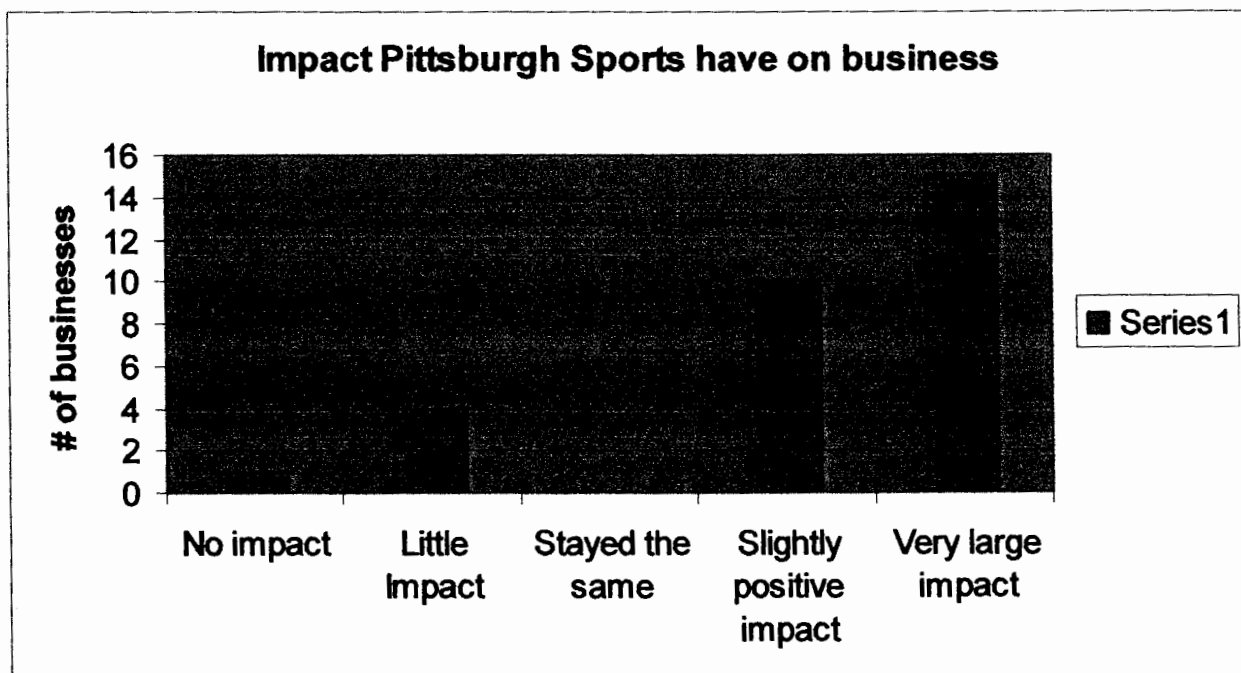
When analyzing the percentage of business either increased or decreased since the new stadiums were completed, seven percent answered that the new stadiums decreased business. Sixty-three percent said that business increased by 1 to 10 percent. Twenty

percent responded that business increased by 11 to 15 percent. Ten percent answered business was increased by 16 percent or more due to the new stadiums.

When evaluating the responses, the majority of the respondents, 63 percent, indicated a 1 to 10 percent increase on business due to the new stadium. Overall, 93 percent of respondents answered that business increased positively due to the new stadiums. These results may mean that these new stadiums have been beneficial to the city and have increased business in some cases. The business's proximity to the stadiums may play a role in how much business was increased. One resident was quoted as saying, "The Steelers, in particular are great for business. Business has been up this year due to the success of the Steelers. We sell more products when there are games and therefore, we generate more revenue." (McDonough Business Survey, January 2005). Another business owner was quoted as saying, "...More patrons have come (my) way since the stadiums were built. I have seen a positive effect from the stadiums. I think we do get a ripple effect (from the sports development). I think it gives the North Side a little pride" (Barnes, 2). Many feel that the stadiums not only help businesses in and around the stadiums, but also give both residents and businesses a sense of pride about being Pittsburghers.

Statement 6

Rank the impact that Pittsburgh professional sports teams has on your business.



No impact: 4%

Little impact: 13%

Stayed the same: 0

Slightly positive impact: 33%

Very large impact: 50%

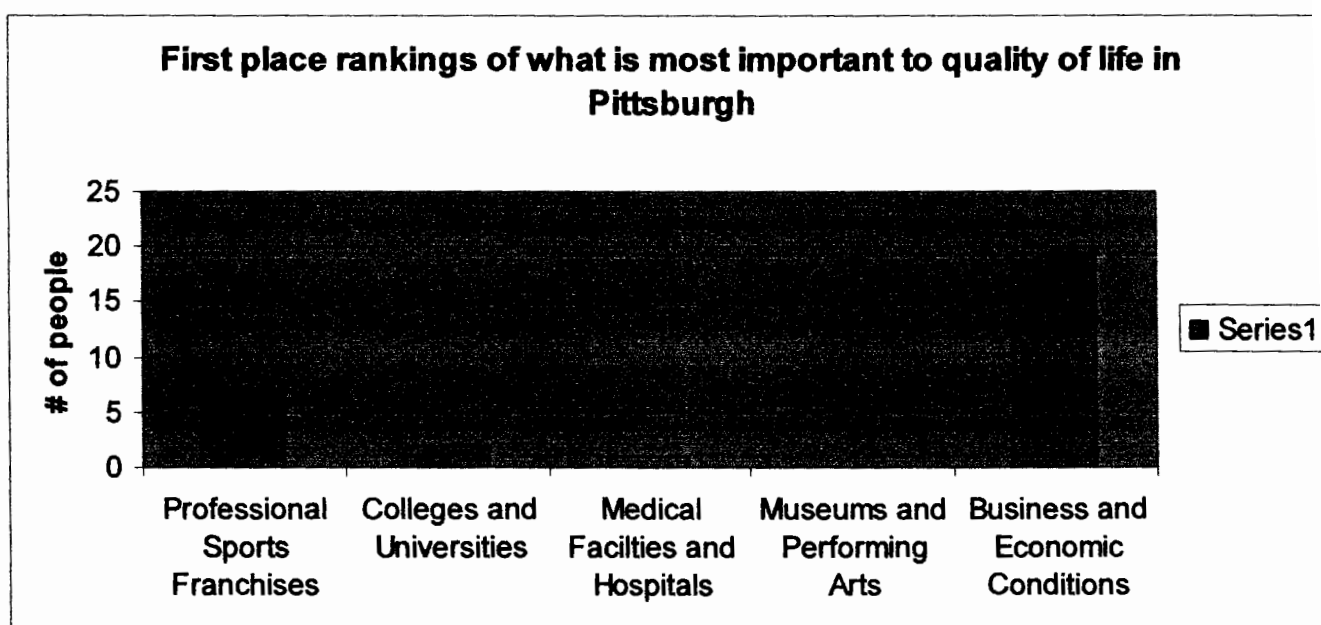
When analyzing the results to the question, “Rank the impact that Pittsburgh professional sports teams has on your business,” four percent answered “no impact.”

Thirteen percent answered “little impact.” None of the respondents answered “stayed the same.” Thirty-three percent answered “slightly positive impact.” Fifty percent answered “very large impact.”

When evaluating the results of this statement, the overwhelming majority (50 percent) answered that professional sports have a very large impact on business. This may mean that professional sports do impact businesses positively, depending on where the business is located and what the business actually deals with. One respondent was quoted as saying, “Sports provide an added incentive for our customers to come to us and enjoy the games at our restaurant. We offer specials on food and drinks on game days and during the games, to get more customers in our doors.” (McDonough Business Survey, January 2005). Having professional sports in a city like Pittsburgh is a great marketing tool; businesses can offer specials, such as, special discounts during games, or special packages for fans. The opportunities to use professional sports as a marketing tool depend on the type of business. Many Pittsburgh businesses use professional sports as a tool to stimulate business, one of the many benefits of being a “big league city.”

Statement 7

Please rank the following in order of importance to the quality of life in Pittsburgh and the surrounding community (1 being the highest and 5 being the lowest). Results are first place rankings.



Professional Sports Franchises: 23%

Colleges and Universities: 7%

Medical facilities and Hospitals: 3%

Museums and Performing Arts: 0

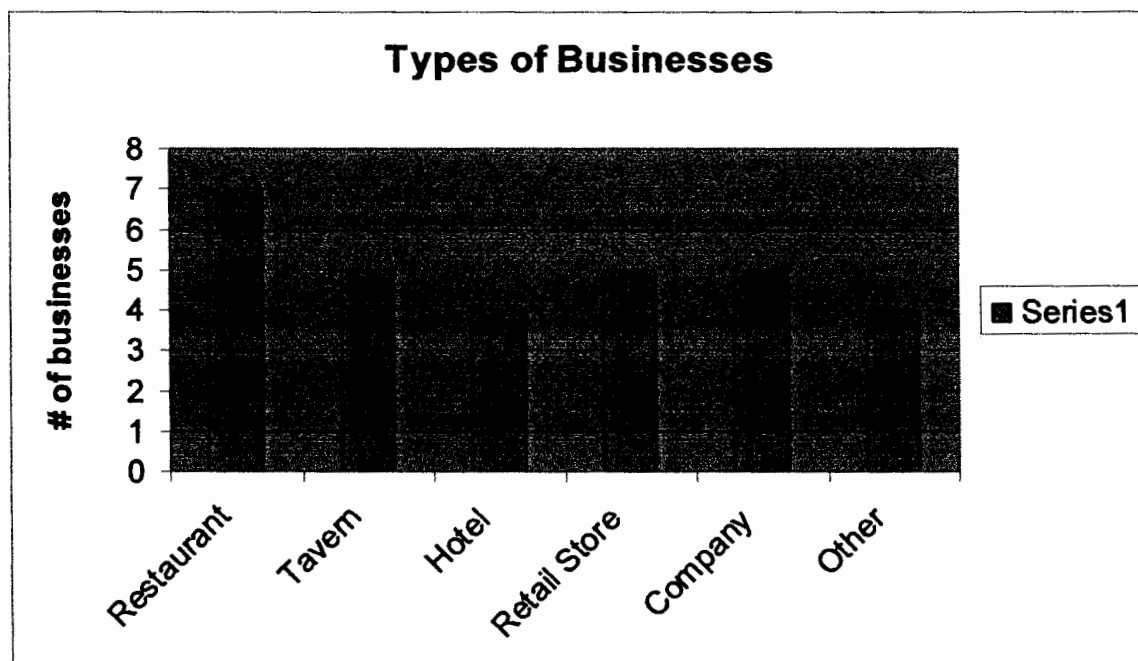
Business and Economic Conditions: 67%

In regards to the statement, “Please rank in order of your importance to the quality of life in Pittsburgh and the surrounding community,” the respondents were asked to rank the choices. The results are for first place rankings only. Twenty-three percent chose professional sports as the number one ranking. Seven percent chose colleges and universities. Three percent chose medical facilities and hospitals. None of the respondents answered “museums and performing arts.” Sixty-seven percent ranked “business and economic conditions” as the most important aspect to the quality of life in Pittsburgh.

When evaluating the results, the overwhelming majority of businesses, 67 percent, answered that business and economic conditions are the most important aspect to the quality of life in Pittsburgh, followed by 23 percent who answered “professional sports.” These results may mean that businesses feel like the economic conditions are most important to the quality of life in and around the city of Pittsburgh. For businesses, the economic conditions are crucial to success, and even though professional sports do play a role in some businesses, many feel that business and economic conditions are still most important in achieving success.

Statement 8

What is the type of business you are in?



Restaurant: 23%

Tavern: 17%

Hotel: 13%

Retail store: 17%

Company: 17%

Other: 13%

When categorizing the respondents to this survey; the author found that 23 percent were restaurants. Seventeen percent responded were taverns. Thirteen percent of

respondents were hotels. Seventeen percent of respondents were retail stores. Seventeen percent were companies, and 13 percent fell under the category of “other.”

Conclusion

This survey was well received by a number of participants, from both the residential and business communities. Overall, professional sports occupy an important role in Pittsburgh. The majority of residents feel that professional sports have positive effect on Pittsburgh, both in terms of quality of live and the psychological well-being of the residents. This conclusion is supported by some of the comments made by some of the respondents, including (McDonough Survey, 2005) “The Steelers are the heart and soul of the city of Pittsburgh! This city bleeds black and gold,” and “Pittsburgh is a better place with our teams playing here. The teams bring the city together,” and “Pittsburgh and sports go hand in hand,” Other quotes that support this conclusion are, “The Steelers unite the city and sports pull all Pittsburghers together,” and “Professional sports are the lifeblood of the city of Pittsburgh; it gives Pittsburghers a feeling of esteem and pride being home to three professional teams.” It can be stated with confidence that the teams of Pittsburgh function as more than just teams; Pittsburgh professional sports are a way of life. One hundred percent of respondents feel the Pirates, Steelers, and Penguins serve as a positive addition to the City of Pittsburgh.

AS shown by the results stated in the preceding analysis, one can conclude that professional sports mean a great deal to Pittsburghers. Eighty-nine percent of Pittsburghers feel that professional sports are important to the city. Eighty-seven percent

of Pittsburghers feel that the Pirates, Penguins, and Steelers are important to the social impact of their lives. Eighty-five percent of Pittsburghers feel that PNC Park and Heinz Field have been important to Pittsburgh. These statistics show that professional sports and the new stadiums are important to Pittsburghers. Pittsburghers were reluctant to finance these stadiums, and still, they feel that the stadiums are important and have been good additions to the city. The author feels that Pittsburgh is a better city because of its professional sports. These teams help to define the city, and Pittsburghers take great pride in being a big league city. The majority of residents feel that the construction of both PNC Park and Heinz Field has sparked a rebirth in a great city.

According to this survey the majority of businesses that responded are also more profitable with professional sports according. Overall, professional sports are important economic tools for Pittsburgh businesses. Seventy percent of respondents feel that Pittsburgh professional sports are important to business. One hundred percent of businesses did not agree with the statement "My business would be more profitable WITHOUT professional sports in the City of Pittsburgh." Sixty percent of businesses have experienced positive impact on business since the completion of PNC Park and Heinz Field. Eighty percent of businesses surveyed have experienced a positive impact on business due to professional sports in Pittsburgh. These statistics may also mean that Pittsburgh is very pleased to have professional sports, and is also very pleased that it has two new stadiums. The redevelopment of Pittsburgh's North Shore is a long process, but many feel that this process is working and that it will continue to have positive effects on the city in the future.

Sitting Right on the rivers of Pittsburgh, these stadiums are retaining existing businesses and attracting new businesses to the city. For example, development around PNC Park and Heinz Field appears to be on track, with Equitable Gas committed to a long-term lease of 150,000 square feet out of a total 180,000 square feet of office space in a new building between the stadiums (Barnes, 2004). A Marriot Hotel is under construction across the street from PNC Park. There are also plans for a 300-unit apartment complex with retail, restaurants, and entertainment in the lower levels (Barnes, 2). Many supporters of the stadiums and this North Shore revitalization have argued that the commitment of businesses and the visible construction is proof of success. One expert was quoted as saying, "\$240 million of planned development around the stadiums will bring 1.2 million square feet of office space and retail space and 4,200 permanent jobs to the North Side" (Barnes, 2). The new stadiums are stimulating economic development, but the process requires time. Pittsburgh has already experienced a "face-lift," as shown by the construction. Both PNC Park and Heinz Field were built on the footprints of Three Rivers Stadium, but otherwise they have is little in common with the old site of many Steelers and Pirates victories. "Three Rivers Stadium never spurred development in the North Shore as hoped and the city was left instead with a tundra of surface parking lots" (Barnes, 3). Many say the failures of Three Rivers Stadium is the reason why the taxpayers of Pittsburgh denied a proposal for a stadium tax in 1998, but now most Pittsburghers are pleased with the stadiums and the development of the North Shore. Pittsburgh's reputation as a sports town is one of the region's biggest selling points, which is why Pittsburgh Mayor, Tom Murphy came up with two stadium plans. One of the main reasons Pittsburgh built the stadiums was due to the threat that the city

might lose the Pirates and the Steelers if new stadiums were constructed. Craig Kwiecinski, Murphy's spokesman, said, "The mayor understood that if we were going to remain a major league city, we would have to have major league sports...and quite frankly, he cut the best deal [on ballpark construction] in the country" (Barnes, 4). Pittsburgh claims itself as the "City of Champions," and without these new ballparks, there was the possibility of losing two teams. These teams represent the city, and maintaining Pittsburgh's status as a major league city was well worth the money.

From another governmental point of view, Pittsburgh Councilman Luke Ravenstahl, pointed out that the government directly benefits from a 5% amusement tax, which is collected on each ticket sold. He is also very pleased with the effects that PNC Park and Heinz Field have had on the city, but the most telling statement was, "Pittsburgh could not survive without the Steelers, Pirates, and Penguins." (McDonough Resident Survey, February 2005). Pittsburgh needs professional sports; the teams of Pittsburgh mean a great deal economically and non-economically to the residents, businesses, and the local government. The study conducted for this research prove, professional sports do have a positive impact on the local economy of Pittsburgh.

Chapter 5

Pittsburgh

In Pittsburgh, sports are not merely games or events; they are a way of life. This statement is very difficult to comprehend if one has never been to Pittsburgh. Pittsburgh is a very distinctive, unique place that sits on the shores of the Allegheny, Monongahela, and Ohio Rivers, located in Southwestern Pennsylvania. Pittsburgh is no different than any other major eastern city, in that it has a very diverse population with a lot of character and city pride. On the other side, there is also no other city like Pittsburgh; Pittsburgh has its own feel, it is a big, small town, to put it in perspective. The city itself is home to about 400,000 people, Allegheny County is populated by over 1 million people, and the greater Pittsburgh area is populated by about 4 million people. Although Pittsburgh is not extremely large, it has many things that other cities do not offer; and many wonderful aspects of this city remain overlooked.

Over the years, Pittsburgh has developed into a sports town, loyal but also highly critical of the professional sports teams. In the beginning of the 20th century, the children of European immigrants developed a strong love affair with professional sports. These children grew up with football and baseball, and many used it to release some of the pressures of working in the steel mills. The second and third generation steel workers easily identified with the Steelers in particular, due to the nature of their jobs (Schaltenbrand, n.d.). Football, too, can be considered blue-collar, and the style of play

that the Steelers of the 1970s exhibited, hard-hitting, aggressive, tough, physical with a relentless desire to win, immediately connected with the people of Pittsburgh. When Pittsburgh started to win championships like World Series titles and Super Bowls, it put Pittsburgh on the map for something other than steel; Pittsburgh was a World Championship city, awarding steel workers and residents in Pittsburgh a sense of pride because of the victory. Pittsburghers also identified with the concept of teamwork that exists in professional sports, a concept that was strongly present in the steel mills. The strong connection that the people of Pittsburgh have with professional sports conveys a sense of pride and esteem. Pittsburgh has not won a professional sports championship since 1991, but these new stadiums have resulted in a rebirth of sports in the city, bringing people back into the city. Professional sports and the three teams that call Pittsburgh home, the Pirates, Penguins, and Steelers, mean more to the city than any dollar amount could ever mean. Pittsburghers believe that hard work is linked to success, which allows the people of Pittsburgh to strongly identify with their city's professional sports teams. The city contains countless visual signs of the connection between the people and businesses of Pittsburgh, and the Penguins, Pirates, and especially the Steelers. The spirit of Pittsburgh lives and dies with professional sports. One can argue that the most treasured possessions of Pittsburgh are professional sports, from the five World Series titles, to the two Stanley Cup trophies, to the most important four-time Super Bowl championships. This city claims to be the "City of Champions," a title it deserves.

Over the past 25 years, the city has gone through changes, primarily the decline of the strong industrial and manufacturing sector of the city's economy and the development of the new information and technology economy. Over the last twenty years the region of Pittsburgh lost over 150,000 manufacturing jobs, and twice as many people have left the area. In the 1980s seven out of ten young people left the city to seek employment elsewhere (Capus, 2005). The steel industry declined by 90% over the last 30 years and this hurt the city economically, but Pittsburgh is reviving itself by becoming the banking capital of the state of Pennsylvania and one of the premier North East Medical facility systems. Through Pittsburgh's transition survived its professional sports. Even as the economy declined, Pittsburghers have always had a constant: the professional sports teams that provided pride and entertainment. Two new stadiums, PNC Park, home of the Pirates, and Heinz Field, home of the Steelers, have given Pittsburgh a new look and a new attitude as it continues to experience a renaissance.

Pittsburgh remains the "steel city," but maintains the name only as a result of the football team that calls the city home. In fact, the Steelers practice where a steel mill used to exist. The sports teams of Pittsburgh represent the hopes and dreams of a tough town. As a result the major sports leagues and politicians have used professional sports as an economic development tool for cities in need of economic stimulation, expecting that new stadiums will serve as tangible ways that community residents and outsiders can see a city's economy experiencing revitalization and growth. In the case of Pittsburgh, this theory has proved successful. From the surveys, interviews, and field work done for this report, it is safe to say that professional sports help Pittsburgh tremendously, both

from an economic standpoint, and a quality of life standpoint. Even in a local governmental aspect, professional sports help the city's and the region's economy.

Conclusion

Professional sports and new sports facilities are tremendous assets for cities and communities. Having a team is widely known as the mark of a "big league city," and losing a team is perceived as a serious blow to a city's status. There is an emotional attachment between teams and home town fans, making professional sports a very special kind of business in cities. For example, some benefits are recognition on a national stage, extra media coverage, the opportunity to host mega-events, and offering entertainment and recreation to residents. One example of a city with hopes of hosting a mega-event is New York City, which was awarded the 2010 Super Bowl with a contingency- only if the city builds a new football stadium for the Jets can it host the Super Bowl. Much of the money that will be used for this potential stadium will be public money. The Super Bowl is the biggest sporting event of the year and this game would bring in new money to the economy of New York, as well as a sense of pride to New Yorkers knowing. However, are these positive effects worth the enormous costs? One thing is for certain: the land that is proposed to be used for this stadium is some of the most valuable land in the country. Is building a stadium the best way to use this prime real-estate? In order to reach a conclusion, the opportunity cost to this stadium must be analyzed.

Professional sports impact businesses in and around the stadium, as well as businesses in the greater metropolitan area. The businesses close to the ballpark or

stadium will benefit more than businesses farther away, for example, bars, restaurants, night-clubs, hotels, retail outlets, vendors, etc. Sales and increased sales for these types of businesses are directly related to having a downtown stadium in a Central Business District and professional sports franchises. The author would like to point out that it obviously depends on the type of business, when discussing whether it will be impacted by professional sports; for the most part a bank or a graphic design firm, for example, will not experience the same positive impact as a bar or restaurant due to a home game. When teams are playing well sales, will increase in these businesses; there will be more support for teams from fans and residents, fans will go to local bars and restaurants, or go to bars and restaurants around the stadiums to watch games, enjoy the game with friends, and feel a part of the game. Overall, professional sports will impact many local businesses positively, a bonus of having professional sports.

In the case study done on the City of Pittsburgh, the overwhelming majority of both residents and businesses feel that professional sports are very important to Pittsburgh. The author agrees; as a former resident of the Greater Pittsburgh Area, he has seen first hand how sports play a major role in business and the culture of Pittsburgh. The two new stadiums in Pittsburgh have been great additions to the city; these stadiums are state of the art, and have spearheaded the revitalization of Pittsburgh's North Shore. Pittsburgh was also awarded a mega-event, the 2006 MLB All-Star game, which will be played at PNC Park; this will give Pittsburgh the opportunity to show America that the city is different. Pittsburgh has changed for the better, and one can argue that this process began when the city agreed to build the new stadiums. A new convention center was

built downtown, the area in and around PNC Park and Heinz Field has drastically changed, with additions that include office buildings, hotels, restaurants, taverns, night clubs, apartments, and retail shopping. When Three Rivers Stadium was built over 30 years ago, no spin-off developments due to the stadium were constructed. Elwin Green of the *Pittsburgh Post Gazette* wrote, “When the decision was made to replace Three Rivers Stadium with separate ballparks for the Steelers and the Pirates, team owners and government officials alike agreed that they did not want a repeat of what had happened with the land surrounding Three Rivers during its 30-year life: nothing.” (Green, 2005). Thankfully, Pittsburgh does not have to worry about “nothing” happening on the North Shore because “something” is always happening on the North Shore: there is new life to this city. The metropolitan area is changing as well, including Pittsburgh’s Waterfront in Homestead, which offers great dining, shopping, entertainment, and night life, and the new South Side which is experiencing a renaissance as well, from the UMPC Sports Facility, the practice facility of the Steelers and the University of Pittsburgh football team, to the entertainment, dining, and shopping. One Pittsburgher was quoted while she was dining in the new South Side, “It feels like I’m on vacation, this doesn’t feel like Pittsburgh... I love it!” (McDonough Resident Survey, March 2005). This transition period can be linked back to the city’s commitment to build PNC Park and Heinz Field and retain professional sports in Pittsburgh. The teams of Pittsburgh help the economy, provide incentives to some businesses, inspire residents and add enjoyment to Pittsburgher’s lives, and provide help the local government.

In more of a national arena, professional sports are equally important to other cities and downtown areas. Pittsburgh is the case study for this thesis, but many other cities have been the beneficiaries of new stadiums and professional sports franchises and have been experiencing the same benefits; for example, Baltimore and the development of the Inner Harbor, Cleveland, Seattle, Cincinnati, Philadelphia, Detroit, and Houston. Professional sports franchises and new sports facilities can spark a revitalization to a city, and they are economically important and are equally important to the quality of life of residents. Professional sports invoke civic pride and can improve the quality of life in every metropolitan area. For example, what would the city of New York be without professional sports and, in particular, the New York Yankees? The Yankees are professional sports' most successful team, with 26 World Championships. Another example is, Los Angeles home of the Lakers; Los Angeles is very proud of this team and the success that it has had throughout history. One can also consider Dallas and the Cowboys, a team that is called "America's team." A city that lives and dies with their team is the city of Boston; Boston is a great sports city and home to four professional sports franchises. The most notable team from Boston is the Red Sox; the city loves this team and has waited 86 years for a World Series title. However, Bostonians will tell you that it was worth the wait and the enjoyment derived from the Red Sox is priceless. Professional sports might be a form of entertainment, but they also mean so much to cities and people. The surveys and comments made by Pittsburghers prove the point that professional sports have a positive impact on the quality of life, and the author will point out that residents of the "big league" cities feel the same way. Professional sports are important in terms of economic impacts, but may be more important in terms of:

- Non-economic impacts
- Increased community visibility
- Enhanced community image
- Social impact
- Political impacts

The greatest benefits may not derive from measurable economic activities directly due to the financial success of the team, but rather from the improved infrastructure, urban renewal, and construction of a venue to accommodate the diverse needs of the area (Narcowich, 1997). Professional sports strengthen a city's national and regional image, both on television and to those who attend sporting events in person. Professional sports bring cities together, can improve the quality of life of residents, and create the civic pride that is involved in having a hometown team.

The *Baltimore Sun* wrote about the effect of Camden Yards, and emphasized how it had “an uplifting psychological impact on the city, over and above any direct physical or economic impact” (Narcowich, 1998). Status and the psychological impact of teams and stadiums are in some cases worth more than money. When professional sports were first played, money was not as important as it is today; it was about the game, the entertainment of the game, and supporting the hometown team, not capitalizing on these teams. Professional sports were not developed to stimulate economies, or revitalize downtown areas. It is great when that happens, and in most cases sports and stadiums do stimulate the local economy to a point, but that was not professional sports' main

function when they were first played. Sports and new sports facilities should not be misconstrued in the light that these stadiums produce hundreds of millions of dollars in new money to an area or city.

In the case of Pittsburgh, when the stadiums were first being proposed, local government, the teams, and the owners made claims that these stadiums would provide the city and the region with hundreds of millions of dollars in new spending. However, there would be a sales tax increase, and the voters of Pittsburgh overwhelmingly rejected this, but the city ignored the people and taxed them anyway. Professional sports is a very unique business in the way they try to improve themselves; making the public finance a stadium is a very shrewd way of conducting business a way that no other business can get away with. The author feels that although these stadiums are great for cities, and have been wonderful additions for the City of Pittsburgh; teams and owners should finance all of the construction costs of new stadiums. Cities should not try to cut sweetheart deals with teams to build stadiums with taxpayers' money if the taxpayers reject the proposal to have public subsidies to finance stadiums. The author's opinion on public subsidies is that if the public votes in favor of public financing for stadiums in a city, these citizens' voice should be heard, but if the public votes against a tax to finance a stadium the citizens' voice should also be heard and backdoor deals should not be conducted. If owners and teams want to privately finance a new stadium, that is great, and in a perfect world, that is the way it should be. The role local government should play in this process is making sure that the stadium is easily assessable for fans and residents to attend, whether this involves new roads or public transportation. As a huge professional sports fan, the author has experienced much joy from rooting for the hometown teams; he

attends games, watches games on television, and therefore he does believe that professional sports teams do invoke a sense of pride. He also believes that the non-economic impacts of teams are just as important as any potential economic impact of teams.

In the case of Pittsburgh, professional sports have helped the economy this year and have hurt the economy. First of all, the two playoff games that took place in Pittsburgh this January generated nearly \$28 million in local spending, according to the Greater Pittsburgh Convention and Visitors Bureau. This compares to \$21.9 million from two playoff games in January 2002 (Brown & Yeomans, 2005). Many described the playoffs as a shot in the arm for business; it helped hotels, restaurants, bars, and retailers. Professional sports have hurt many local businesses this year because of the NHL canceling the season. Many of the same restaurants, hotels, and retail stores that experienced additional business during the Steelers playoff run, are now experiencing a loss in sales and revenues because of the loss of the NHL hockey season. Many local businesses count on the Penguins and home games when forecasting sales numbers for the year. The loss of the NHL season has cost many businesses hundreds of thousands of dollars. One example is the Ramada Plaza Suites at 1 Bigelow Square; a sales director said that the loss of the season thus far has cost his business over \$175,000 in food, drinks, and lodging revenues (Fuoco, 2005). The local government is losing out as well; the city government annually takes in over \$750, 000 in amusement, parking, and wage tax revenues during a hockey season, but not this year (Fuoco, p. 2). Unfortunately, Pittsburgh local businesses have been hurt by the loss of the Penguins' season, and this is

another example of professional sports impacting business. These examples are from the City of Pittsburgh, but it should be noted that any city that is home to a professional sports franchise can experience the same effects.

Professional sports are about the fans, about the residents, and about having a hometown team to root for, but teams do impact local businesses and having extra games in the playoffs, for example, are great bonuses for local businesses. When teams do not play, like the NHL this year, it hurts businesses greatly. Inevitably, professional sports do play a role in the local economy and can have a positive impact on the local economy.

Professional sports franchises are great assets for cities, local residents, and local government. When new stadiums are built for teams, the stadiums are nice additions to the city; they create a “buzz” in and around the city. There are great rewards to being a home of professional sports, which is a main reason why cities fight for teams and want to retain teams and keep teams from leaving. If that means public subsidies for new stadiums, most cities feel that is a fair price to pay to keep professional sports in the city. However, it is unclear that taxpayers feel the same way. The author feels that the loss of a professional sports franchise is a huge blow to a city and the city’s residents. New sports stadiums are very important players in all of this because stadiums today are most often publicly subsidized, meaning the taxpayers and the city pay for them. In most cases new stadiums are used to retain existing teams or lure new teams to a new city. Consequently, construction of stadiums is a very controversial subject, and opponents of public subsidies on stadiums would be a little more receptive if they could experience the loss of a professional sports franchise. Opponents argue over giving money to finance

stadiums, but would realize a huge loss or void if a team would leave. A new stadium is a central element of an urban redevelopment plan the stadium must be placed in the proper location and be carefully laid out to maximize local businesses' profits. In Pittsburgh, the stadiums were put in a great location: walking distance from downtown and very assessable by car. This location caused many spin-off developments that have helped the area tremendously. This process costs money, resulting in a great deal of controversy in professional sports and new sports facilities. In researching this topic, the author found that most residents and businesses were not happy to finance the stadium publicly, but then most felt that if that was the price to pay to keep teams from moving then it was a fair trade. The author feels that professional sports and new sports facilities are great additions to cities in need, but not all cities experience the same benefits; some cities benefit more than other from new stadiums. One aspect constant in all cities with professional sports franchises: there is a sense of pride in being a major league city. In the case of Pittsburgh, Three Rivers Stadium was old and out-dated, and as an opponent of the stadium tax in 1997, the author was not opposed to the new stadiums, but he felt that the teams and owners should pay for the construction with private funds. The author does believe that the stadiums have provided a spark to Pittsburgh, in and around the stadiums. There was a novelty effect to PNC Park, and attendance was higher than usual in 2001 because of this novelty. Attendance then dropped in 2002 because of poor play, but if teams are not competitive on the field attendance will suffer regardless of how nice the stadium is. New stadiums can and do help cities, and in the case of Pittsburgh, PNC Park and Heinz Field have helped the city, the area, and have been important to the residents of Pittsburgh, in terms of civic pride and a new attitude.

The author feels that professional sports are very important to the quality of life of residents, and in most cases the non-economic impacts of professional sports are more important than the economic impacts. Sports are a way of life; professional sports teams help to define cities and teams help to define the residents. Today in the era of free agency, players switching team virtually every year, fans and residents of cities with professional teams do not really root for players; they root for the uniform, the team's name, and more importantly the city's name. These teams evoke much pride from the city that they play in and residents rally around the teams. The author feels that when experts on this topic of whether or not professional sports impact local economies say that there is little, if any, positive impact due to professional sports, they fail to take into account quality of life benefits derived from being a home of professional sports. A very strong case can be made that the quality of life benefits, the social impact, and positive psychological benefits afforded to residents justify the large public costs associated with professional sports. In many cases, quality of life benefits are not included in the debate on this issue, but they should be. Unfortunately, this is a very hard matter to judge and measure, but it is still equally important; professional sports leagues, owners, and city officials should try to promote the benefit of quality of life when stating the benefits of professional sports franchises and new stadiums.

Furthermore, if the local economy is defined as the business, residents, and local government of a metropolitan area, then professional sports franchises do have a positive impact on the local economy. The research done for this article proves this point. The author, who is a large supporter of professional sports, loves the game, and loves

attending games. As a man who grew up around sports and attends many professional sporting events yearly, he knows first hand what these games and team do for residents, businesses, and local governments. His feeling on public subsidies is noted, and if public subsidies are the only way to keep a team from leaving the city, this should be expressed to the citizens and the taxpayers, so the taxpayers can make an educated vote when asked to finance a stadium publicly. He believes that if owners use that type of blackmail to persuade voters to vote for a tax increase to finance a stadium, that is terrible, but it could possibly change the minds of some voters who might be opponents of public subsidies for new sports facilities. He does feel that the loss of a team is a tremendous knock to a city's economy and more of a blow to the morale of the residents of a city. Professional sports are part of American culture and these games provide entertainment to millions. Cities take pride in having professional sports franchises and when a team wins, the team is not the only winner; the city wins and the residents win as well. If public subsidies are the only way to keep a team from moving to another city, the point can be argued that there could be justification for subsidizing professional sports stadiums; citizens do derive many non-pecuniary benefits like civic pride, a greater sense of community, enjoyment from following games on television, radio, even if these citizens never attend these games. Professional sports are important to cities; professional sports mean more to people than just economic development. Professional sports mean action, mean adventure, it means rooting and supporting the hometown team, it gives a city an identity outside the companies and products the city produces. Sports give a city national recognition, give cities a sense of togetherness between residents, and when the hometown team wins, the team gives the city and the residents enormous pride. Those

aspects can never be measured. The author believes that professional sports are vital components to cities, and, in many cases, essential to the success of cities.

Appendix

Survey (Business)

The following answers will be private and confidential. The sole purpose of this survey is for a case study being done on the city of Pittsburgh, for myself, Kevin McDonough, for completion of my Master's Degree from Seton Hall University. I would like to thank you in advance for your time and your cooperation. Please if at all possible return this by February 15, 2005. If by any chance you would like to know the outcome of this study please contact me at mcdonoka@shu.edu.

Check the box that best describes your opinion of the question.

1. Do any of the three major professional sports teams in the city of Pittsburgh (Penguins, Pirates, and Steelers) have a positive affect on your business? (Example increase sales, and revenue, more traffic flow, more customers, etc...)

☐ No effect at all ☐ Moderately ☐ Important ☐ Extremely important

2. My business would be more profitable **without** professional sports in the city of Pittsburgh.

☐ TRUE ☐ FALSE

3. Rank how your business was impacted since the completion of PNC Park and Heinz field.

☐ No impact ☐ Little impact ☐ Stayed the same ☐ Slightly positive impact ☐ Very large impact

4. Rank the impact that Three Rivers Stadium had on your business.

☐ No impact ☐ Little impact ☐ Stayed the same ☐ Slightly positive impact ☐ Very large impact

5. State the percentage increase that the new stadiums have had on your business.

☐ Decreased business ☐ 1-10% increase ☐ 11-15% increase ☐ 16%-higher increase

6. Rank the impact that Pittsburgh Professional sports teams has on your business.

☐ No impact ☐ Little impact ☐ Stayed the same ☐ Slightly positive impact ☐ Very large impact

7. Please rank the following in order of your importance to the quality of life in Pittsburgh and the surrounding community:(1 being the highest 5 being the lowest)
Professional Sports Franchise

Colleges and Universities

Medical facilities and Hospitals

Museums and Performing Arts

Business and Economic Conditions

Demographics: Please answer the following questions

What is the type of business you are in?

(Optional)How many employees do you have working in your business?

(Optional)How many years has your business been in operation?

(Optional)What is the name of your business?

(Optional) What is your gross revenue per year?

Please provide any additional comments:

Residents (Survey)

The following answers will be private and confidential. The sole purpose of this survey is for a case study being done on the city of Pittsburgh, for myself, Kevin McDonough, for completion of my Master's Degree from Seton Hall University. I would like to thank you in advance for your time and your cooperation. Please if at all possible return this by February 15, 2005.

Check the box that best describes your opinion of the question.

1. How important do you think professional sports are to the city of Pittsburgh?

- ☐ No importance at all
- ☐ Little if any importance
- ☐ No opinion
- ☐ Important
- ☐ Very Important
- ☐ Can not survive without

2. Rank the level the Steelers, Pirates, or Penguins have on the social impact on your life? (Whether it is barbeques or social gatherings with family or friends, going to games, or simply just enjoying the games)

- ☐ No importance at all
- ☐ Little if any importance
- ☐ No opinion
- ☐ Important
- ☐ Very Important
- ☐ Can not survive without

3. I feel that Pittsburgh is a better city with the Steelers, Pirates, and Penguins playing there.

☐ Yes ☐ No

4. How important do you think PNC Park and Heinz Field have been on the city of Pittsburgh?

☐ No importance ☐ Little importance ☐ No opinion ☐ Important ☐ Very important

5. How important are professional sports on your life?

☐ Not Important ☐ Little importance ☐ No opinion ☐ Important ☐ Very important

6. Rank the importance of professional sports on the quality of life of residents of Pittsburgh.

☐ No importance at all

☐ Little if any importance

☐ No opinion

☐ Important

☐ Very Important

☐ Can not survive without

7. How important do you think that Professional Sports have on the city image of Pittsburgh to outsiders and visitors.

☐ No importance ☐ Little importance ☐ No opinion ☐ Important ☐ Very important

8. Please rank the following in order of your importance to the quality of life in Pittsburgh and the surrounding community :(1 being the highest 5 being the lowest)

Professional Sports Franchise

Colleges and Universities

Medical facilities and Hospitals

Museums and Performing Arts

Business and Economic Conditions

Demographics

What is your gender?

☐ Male ☐ Female

What is your age?

☐ 18-20 ☐ 21-29 ☐ 30-39 ☐ 40-over

How many years have you lived in Pittsburgh?

☐ Less than 1 ☐ 1 year -10 years ☐ 10 or more

Please provide any additional comments:

Interview of Residents

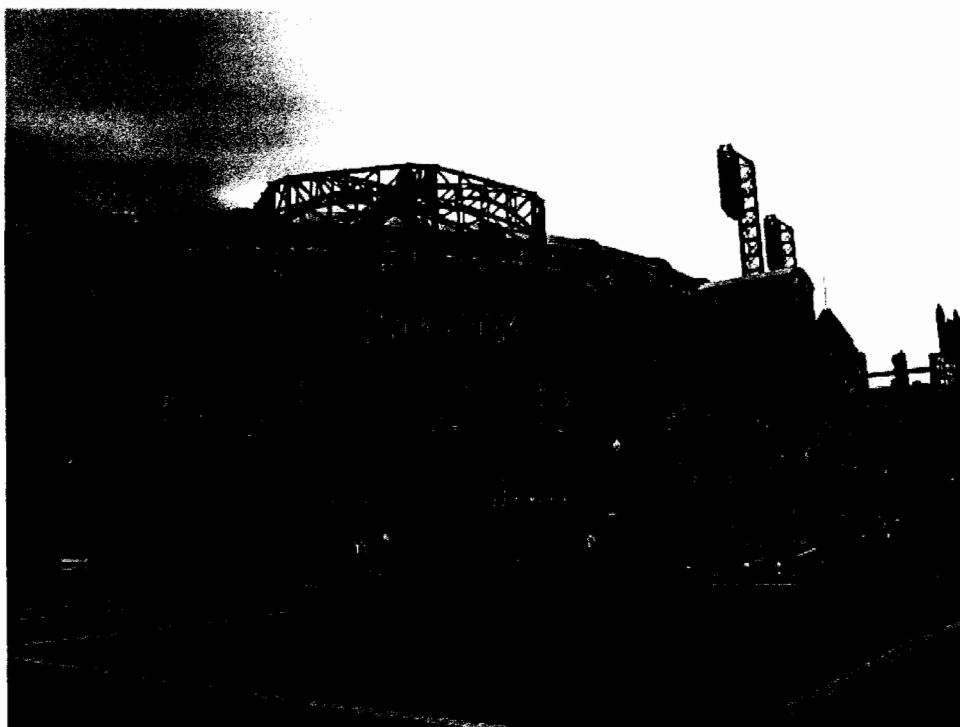
1. Describe what professional sports mean to you being a resident in Pittsburgh.
2. What are the benefits of being a resident in the city of Pittsburgh?
3. Do the Steelers, Pirates, or Penguins play an important role in your life?
4. Did you feel that Pittsburgh needed two new stadiums?
5. Now that PNC Park and Heinz Field are completed how do you feel, is it positive for the city's image?
6. Do you feel Pittsburgh is a better place to live and call home because Pittsburgh houses three professional sports franchises?
7. Describe some of the positive or negative effects of being a home to professional sports.
8. Do you feel that Pittsburgh's professional sports teams are good for the local economy of Pittsburgh?

Interview of Businesses

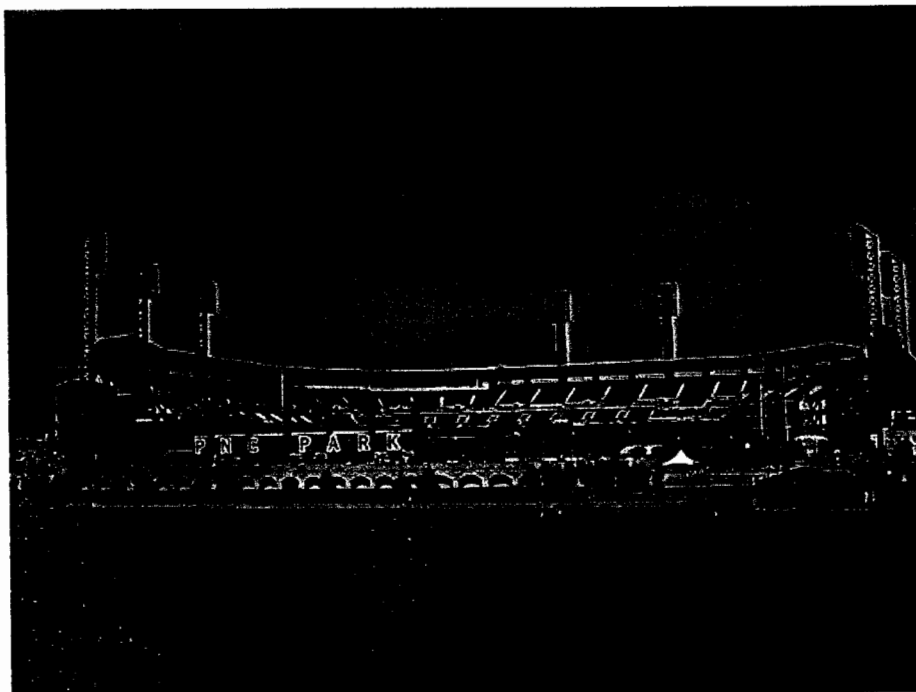
1. Do the professional sports teams in Pittsburgh have any effect on your business?
2. Describe those effects either positive or negative.
3. Do professional sports have any effect on the workers, whether or not they are less productive or more productive, or it has no relation at all?
4. If Pittsburgh did not have any professional sport in the city, would you still base your business in its location it has now?

Pictures of Pittsburgh

PNC Park



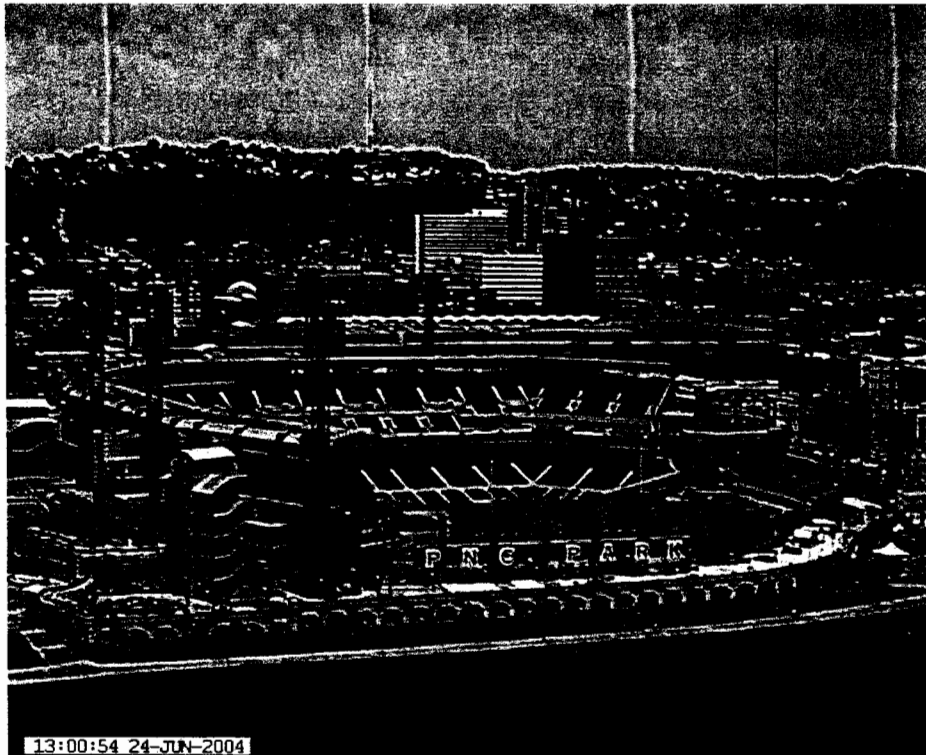
(<http://www.ballparksofbaseball.com/nl/PNCPark.htm>)



(<http://www.ballparksofbaseball.com/nl/PNCPark.htm>)



(<http://www.ballparksofbaseball.com/nl/PNCPark.htm>)

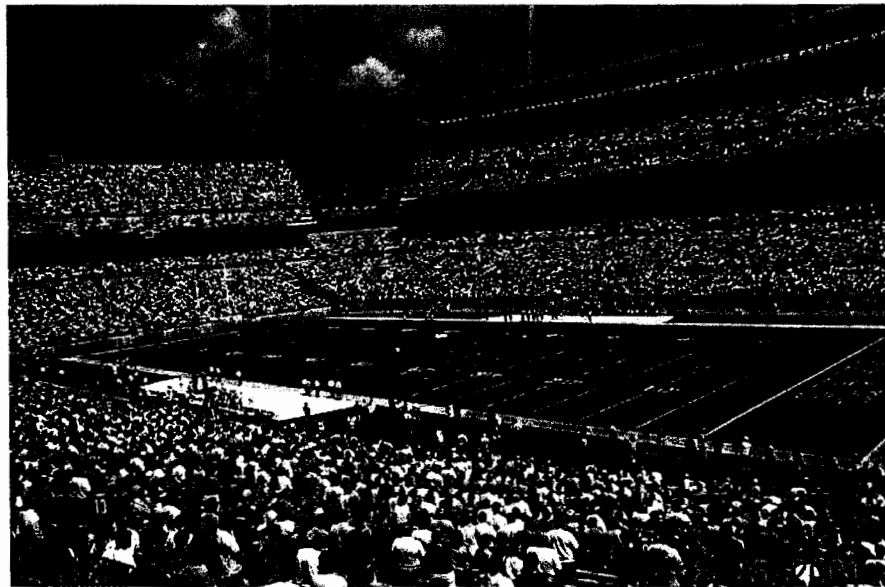


(<http://www.specon.com/pncpark/>)

Heinz Field

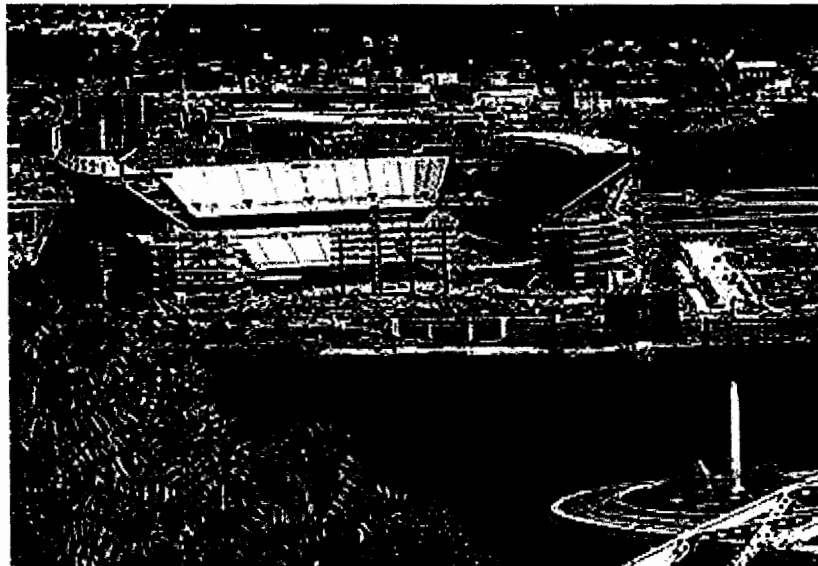


(<http://www.getting-to-the-point.com/discover/sports.html>)



(<http://www.stadiumsofnfl.com/afc/HeinzField.htm>)

View from the outside of Heinz Field



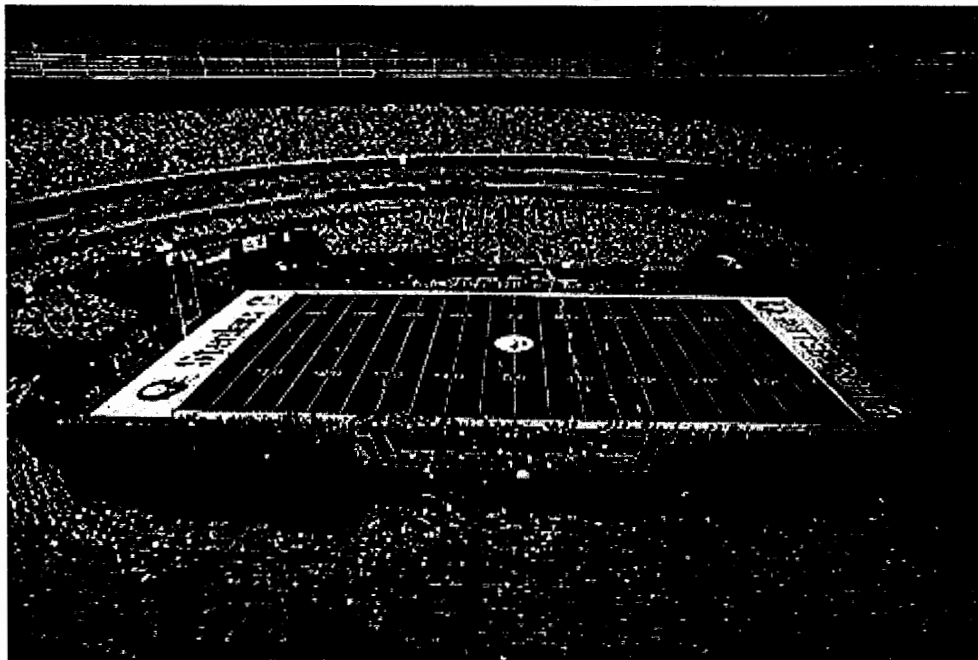
(http://pittsburgh.about.com/cs/pictures/l/bl_heinz_1.htm)

The Implosion of Three Rivers Stadium



(<http://www.ballparksofbaseball.com/past/threeriversstadium.jpg>)

Three Rivers Stadium for a Steelers Game



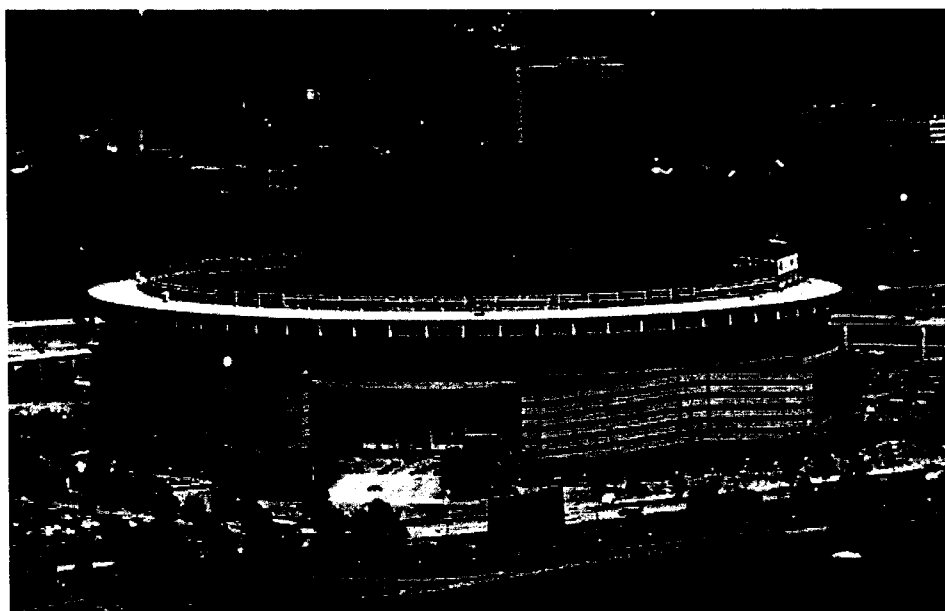
(<http://www.sfo.com/~csuppes/NFL/PittsburghSteelers/>)

Three Rivers Stadium for a Pirates Game



(<http://www.ballparksofbaseball.com/past/threeriversstadium.jpg>)

Three Rivers Stadium



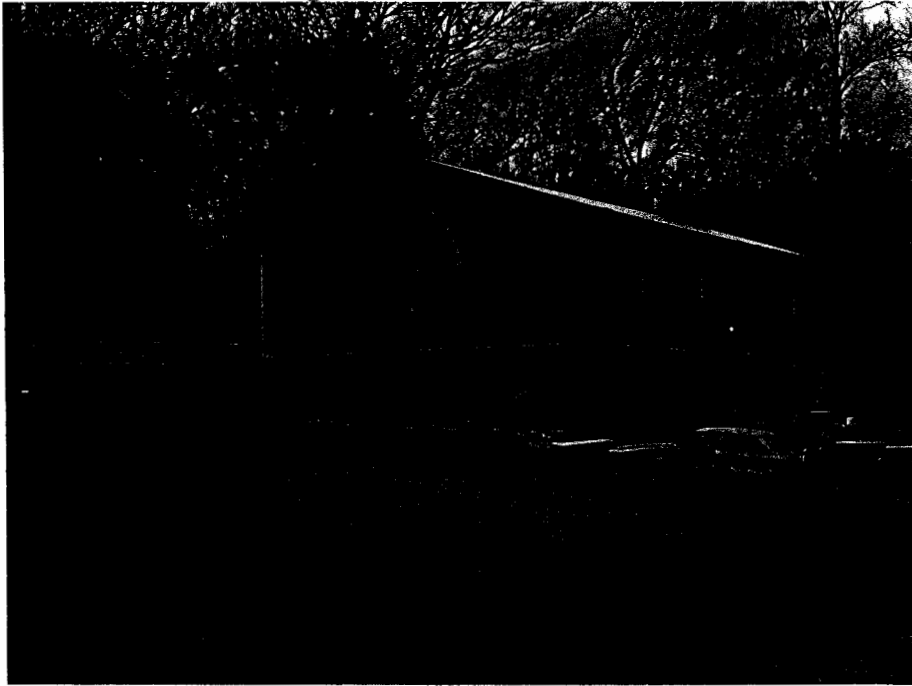
(<http://www.ballparksofbaseball.com/past/threeriversstadium.jpg>)

Heinz Field was build right next to Three Rivers Stadium



(<http://www.ballparksofbaseball.com/past/three4.jpg>)

House in Pittsburgh: Steelers are a way of life; Steelers football is more than just a game to Pittsburghers.



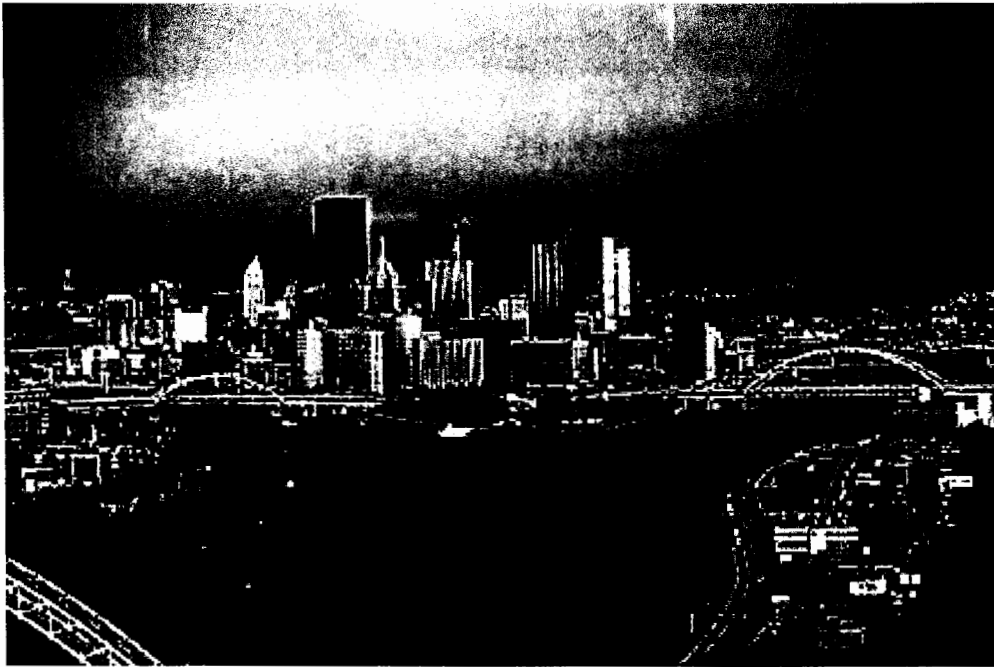
(Author's picture)

Pittsburgh

Proclaimed by many as the only city in America with an entrance, the spectacular skyline and rivers of Pittsburgh seem to explode on one as he/she emerge from the city's primary southern entrance, the Fort Pitt Tunnel.



(<http://www.andrew.cmu.edu/user/esundwic/pitt/pittsburgh.jpg>)



(http://www.getting-to-the-point.com/welcome/photographs/discover_1.html)

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